FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILLED WITH THE STOCK EXCHANGE

(1)	Name of the Company	Birla Ericsson Optical Ltd.
(2)	Annual financial statements for the year ended	31st March 2014
(3)	Type of Audit Observation	Un-qualified/Matter of Emphasis: Non provision for the shortfall in the market value of a quoted investment for the stated reason. Refer note no. 31 of the financial statements.
(4)	Frequency of Observation	Repetitive/since FY 2011-12
(5)	To be signed by –	
	• CEO/Managing Director	R.Sridharan CEO
	• CFO	Somesh Laddha Sr. Manager(Finance) & Secretary/CFO
	• Auditor of the Company	For V Sankar Aiyar & Co. Chartered Accountants FRN: 109208W V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS R.Raghuraman Partner [Membership No.081350]
	• Audit Committee Chairman	R.C.Tapuriah Chairman of Audit Committee

M.P. Birla GROUP

ANNUAL REPORT & ACCOUNTS 2013-14

Connect with Freedom...

BIRLA ERICSSON OPTICAL LTD.

Syt. Madhav Prasadji Birla
(1918-1990)

Smt. Priyamvadaji Birla
(1928-2004)

Syt. Rajendra Singhji Lodha
(1942-2008)

Our source of Inspiration

BIRLA ERICSSON OPTICAL LIMITED

ANNUAL REPORT 2013-14

BOARD OF DIRECTORS

MR. HARSH V. LODHA — *Chairman*
MR. D.R.BANSAL
MR. MATS O.HANSSON
[ALTERNATE MR.S.K.DAGA]
MR. R.C.TAPURIAH
DR. ARAVIND SRINIVASAN
MR. ARUN KISHORE
MR.K.RAGHURAMAN

AUDIT COMMITTEE

MR. R.C.TAPURIAH — *Chairman*
DR. ARAVIND SRINIVASAN
MR. ARUN KISHORE
MR. K. RAGHURAMAN

MANAGER & CHIEF EXECUTIVE OFFICER

MR. R.SRIDHARAN

AUDITORS

V.SANKAR AIYAR & Co.
CHARTERED ACCOUNTANTS
NEW DELHI

SOLICITORS

NMS & COMPANY
NEW DELHI

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE

UDYOG VIHAR,
P.O. CHORHATA,
REWA - 486 006 (M.P.), INDIA

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IS / ISO 9001 QMS — IS / ISO 14001 EMS

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of Birla Ericsson Optical Limited will be held at the Registered Office of the Company at Udyog Vihar, P.O.Chorhata, Rewa (M.P.) on Tuesday, the 12th August, 2014 at 4.30 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To resolve not to fill up the vacancy, for the time being, caused by the retirement of Mr. Mats O.Hansson (holding DIN: 02632690), who retires by rotation and does not seek re-appointment.
4. To appoint Messrs V. Sankar Aiyar & Co., Chartered Accountants, (Registration No. 109208W), the retiring auditors, as Statutory Auditors of the Company for further period of upto three financial years starting from April 1, 2014 to hold office from the conclusion of this Meeting until the conclusion of the next third Annual General Meeting of the Company, subject to ratification by shareholders in the subsequent Annual General Meetings, at a remuneration and on the other terms and conditions as shall be fixed by the Board of Directors.

SPECIAL BUSINESS:

5. To appoint Mr. R.C.Tapuriah (holding DIN: 00395997) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Mr. R.C.Tapuriah (DIN: 00395997), a Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation."

6. To appoint Dr.Aravind Srinivasan (holding DIN: 00088037) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Dr.Aravind Srinivasan (DIN: 00088037), a Director of the Company whose period of office is liable to determination by retirement of director by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation."

7. To appoint Mr. Arun Kishore (holding DIN: 00177831) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Mr. Arun Kishore (DIN: 00177831), a Director of the Company whose period of office is liable to determination by retirement of director by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation."

8. To appoint Mr. K.Raghuraman (holding DIN: 00320507) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Mr. K.Raghuraman (DIN: 00320507), a Director of the Company whose period of office is liable to determination by retirement of director by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation."

9. To ratify/approve the remuneration of the Cost Auditors for the financial year 2014-15 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED that pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Messrs D. Sabyasachi & Co., Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company relating to manufacture of cables for the financial year 2014-15, be paid the remuneration of Rs.40,000/- plus service tax, if applicable thereon and reimbursement of travelling and other incidental expenses that may be incurred for the purpose by the said Cost Auditors.

   RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

Registered Office:
Udyog Vihar,
P.O.Chorhata,
Rewa - 486 006 (M.P.)
June 21, 2014

Somesh Laddha
Sr.Manager (Finance) & Secretary

NOTES FOR MEMBERS' ATTENTION

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF OR HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS (48) BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE, ISSUED ON BEHALF OF THE NOMINATING ORGANIZATION.**

   A person shall not act as Proxy for more than Fifty (50) members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. A proxy form is annexed herewith.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 6th August, 2014 to Tuesday, the 12th August, 2014 (both days inclusive) for the purpose of determining the names of members eligible for dividend on equity shares (if declared) and the Meeting.
4. The dividend on Equity Shares, if declared at the Meeting, will be credited/despatched between 12th August, 2014 and 10th September, 2014 to those members whose names shall appear on the Company's Register of Members on 5th August, 2014. In respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. Messrs Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078 continue to act in the capacity of Registrar and Share Transfer Agents for physical shares of the Company. Messrs Link Intime India Pvt. Ltd. is also the depository interface of the Company with both NSDL and CDSL. Members are requested to address all correspondences, including dividend matters, to the said Registrar and Share Transfer Agents.
6. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form are requested to advise any change in their address or bank mandates to the Company/Registrar and Share Transfer Agents.
7. Non-resident Indian Members are requested to inform Registrar and Share Transfer Agents, immediately of:
   (i) the change in the residential status on return to India for permanent Settlement.
   (ii) the particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
8. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. The Company has connectivity from the NSDL and CDSL and equity shares of the Company may be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their depository account. The ISIN No. for the Equity Shares of the Company is INE800A01015. In case of any query/difficulty in any matter relating thereto may be addressed to the Registrar and Share Transfer Agents.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company at its Registered Office or to the Registrar and Share Transfer Agents.
10. This Notice of the Meeting (AGM) along with the Attendance Slip, Proxy Form and the Annual Report 2014 are being sent by electronic mode to all the members whose e-mail addresses (IDs) are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
11. All relevant documents referred to in the accompanying Notice and the Statement shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays, up to and including the date of the Meeting. The Register of Directors and key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Meeting (AGM).
12. Additional information pursuant to Clause 49 of the Listing Agreement with stock exchanges in respect of the Directors seeking appointment/re-appointment at the Meeting are furnished and forms a part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
13. Members/Proxies are requested to deposit the Attendance Slip duly filled in and signed for attending the Meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting. Members who hold shares in de-materialized form are requested to bring their DP I.D. and client I.D. No.(s) for easier identification of attendance at the Meeting.
14. Members desirous of obtaining any information on Annual Accounts of the Company at the Meeting are requested to write to the Company at least 10 (ten) days before the date of the Meeting, so that the information required may be made available at the Meeting.
15. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members the facility of voting through electronic means, as an alternate, to enable them to cast their votes electronically and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity share held by them as on June 30, 2014 (Record Date).
16. The instructions for members for voting electronically are as under:

    In case of members receiving Notice of Annual General Meeting through e-mail:

    (i) Log on to the e-voting website www.evotingindia.com
    (ii) Click on "Shareholders" tab.
    (iii) Now, select the "Birla Ericsson Optical Limited" from the drop down menu and click on "SUBMIT".

(iv) Now Enter your User ID.
(a) For CDSL: 16 digits beneficiary ID,
(b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
(c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
(v) Next enter the Image Verification as displayed and Click on Login.
(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date in the Dividend Bank details field.**

(viii) After entering these details appropriately, click on "SUBMIT" tab.
(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
(xi) Click on the EVSN of "Birla Ericsson Optical Limited" to vote.
(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving Notice of Annual General Meeting (physical copy) through Post/Courier then please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

17. The voting period begins on 6th August, 2014 and ends on 7th August, 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30th June, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
18. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
19. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the Record Date.
20. The Company has appointed Mr. Rajesh Kumar Mishra, Practicing Company Secretary or failing him Mr. Pardeep Nayak, Chartered Accountants as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
21. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
22. The results shall be declared on or after the Meeting (AGM) of the Company. The Results declared, along with the Scrutinizer's Report shall be placed on the Company's website www.birlaericsson.com and on the website of CDSL within two (2) working days of passing of the resolutions at the Meeting (AGM) of the Company and communicated to the Stock Exchanges where the equity shares of the Company are listed viz. BSE Ltd. and National Stock Exchange of India Ltd.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5

Mr. R.C.Tapuriah is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 29.07.2001.

Mr. R.C.Tapuriah retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. It is proposed to appoint Mr. R.C.Tapuriah as an Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges, to hold office for five (5) consecutive years for a term upto 31st March, 2019. The Company has received a notice in writing from a member along with the deposit of requisite amount proposing the candidature of Mr. R.C.Tapuriah for the office of Director of the Company.

In the opinion of the Board, Mr. R.C.Tapuriah fulfils the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement with stock exchanges. Mr. R.C.Tapuriah is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. R.C.Tapuriah as an Independent Director. Copy of the draft letter for appointment of Mr. R.C.Tapuriah as an Independent Director is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. R.C.Tapuriah and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

Item No. 6

Dr.Aravind Srinivasan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 27.10.2004.

Dr.Aravind Srinivasan is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Dr.Aravind Srinivasan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years w.e.f. 1st April, 2014. A notice has been received from a member proposing Dr.Aravind Srinivasan as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr.Aravind Srinivasan fulfils the conditions specified in the Companies Act, 2013 and the Listing Agreement with stock exchanges. Dr.Aravind Srinivasan is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr.Aravind Srinivasan as an Independent Director. Copy of the draft letter for appointment of Dr.Aravind Srinivasan as an Independent Director is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Dr.Aravind Srinivasan and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the Members.

Item No. 7

Mr. Arun Kishore is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30.07.2009.

Mr. Arun Kishore is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Arun Kishore being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years w.e.f. 1st April, 2014. A notice has been received from a member proposing Mr. Arun Kishore as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Arun Kishore fulfils the conditions specified in the Companies Act, 2013 and the Listing Agreement with stock exchanges. Mr. Arun Kishore is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Arun Kishore as an Independent Director. Copy of the draft letter for appointment of Mr. Arun Kishore as an Independent Director is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Arun Kishore and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the Members.

Item No. 8

Mr. K.Raghuraman is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30.10.2009.

Mr. K.Raghuraman is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. K.Raghuraman being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years w.e.f. 1st April, 2014. A notice has been received from a member proposing Mr. K.Raghuraman as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. K.Raghuraman fulfils the conditions specified in the Companies Act, 2013 and the Listing Agreement with stock exchanges. Mr. Raghuraman is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. K.Raghuraman as an Independent Director. Copy of the draft letter for appointment of Mr. K.Raghuraman as an Independent Director is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. K.Raghuraman and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.8 of the Notice for approval by the Members.

Item No. 9

Messrs D. Sabyasachi & Co., Cost Accountants, were appointed as Cost Auditors by the Board of Directors to audit the cost records maintained by the Company in connection with manufacture of Cables for the Financial Year 2014-15 on the recommendation of the Audit Committee at a remuneration of Rs.40,000/-plus Service Tax as applicable thereon and reimbursement of travelling and other incidental expenses that may be incurred for the purpose.

As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors as approved by the Board is required to be ratified subsequently by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No.9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors/Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the members.

Details of Directors seeking appointment/re-appointment in the ensuing Annual General Meeting scheduled to be held on 12th August, 2014:

Name of Director	Mr. R.C.Tapuriah
Date of Birth	15.06.1942
Date of Appointment	29.07.2001
Expertise in specific functional areas	Industrialist with wide experience in Business and Industry.
List of outside Directorships held*	Alfred Herbert (India) Ltd. The Calcutta Investment Co. Ltd. Maxworth Industrial Services Ltd. Mohta Carbide & Chemicals Ltd. New India Retailing & Investment Ltd. The United Investment Co. Ltd. Vindhya Telelinks Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman - Audit Committee Member - Share Transfer-Cum-Investors Grievances Committee
Chairman/Member of the Committee of the Board of Directors of other Public Companies	Chairman - Audit Committee of Vindhya Telelinks Ltd. Member - Audit Committee & Investors' Grievance Committee of Alfred Herbert (India) Ltd. and New India Retailing & Investment Ltd.
Shareholding of the Non-Executive Director	Nil
Relationship between Directors inter-se	None

Name of Director	Dr. Aravind Srinivasan
Date of Birth	16.09.1969
Date of Appointment	27.10.2004
Expertise in specific functional areas	Administrator of a renown eye hospital in India and MBA from University of Michigan-Business School having varied experience in the field of finance and human resource development.
List of outside Directorships held*	None
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman - Share Transfer-cum-Investors' Grievance Committee Member - Audit Committee
Chairman/Member of the Committee of the Board of Directors of other Public Companies	None
Shareholding of the Non-Executive Director	Nil
Relationship between Directors inter-se	None

Name of Director	Mr. Arun Kishore
Date of Birth	02.08.1947
Date of Appointment	30.07.2009
Expertise in specific functional areas	A practising Chartered Accountant with more than four decades of professional experience in the various gamuts of audit and other related areas.
List of outside Directorships held*	Tees & Toes Finance and Investments Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Member - Audit Committee
Chairman/Member of the Committee of the Board of Directors of other Public Companies	None
Shareholding of the Non-Executive Director	Nil
Relationship between Directors inter-se	None

Name of Director	Mr. K.Raghuraman
Date of Birth	26.09.1948
Date of Appointment	30.10.2009
Expertise in specific functional areas	A Chartered Accountant with more than three decades of professional experience in various banks and holding very senior position including executive directorship of Punjab National Bank. He had held the position of Chairman of India Corporation Committee of Master Card International & was also the honorary Secretary of "Banks' Sports Board" of the Indian Banks' Association apart from being the member of various industry level committees of IBA. He had participated in various international conferences/seminars/ Investors' Meet in Australia, China, Bangkok, USA, Canada, etc.
List of outside Directorships held*	Andhra Bank Oriental Carbon & Chemicals Ltd. Nagarjuna Agrichem Ltd. Canbank Factors Ltd. Ladderup Finance Ltd. Centbank Financial Services Ltd. Rama Phosphates Ltd. Nelco Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Member - Audit Committee
Chairman/Member of the Committee of the Board of Directors of other Public Companies	Chairman - Audit Committee of Canbank Factors Ltd. Member - Audit Committee of Andhra Bank, Ladderup Finance Ltd., Nagarjuna Agrichem Ltd. and Nelco Limited - Share Transfer and Investors' Grievance Committee of Andhra Bank
Shareholding of the Non-Executive Director	Nil
Relationship between Directors inter-se	None

* Number of other Directorships held by the Directors, as mentioned above, do not include Alternate Directorships and Directorships held in Foreign Companies, Indian Private Limited Companies and LLP's besides trustees/membership of Managing Committees of various trusts and other bodies and are based on the latest declarations received from the Directors. The details of Committee Membership/ Chairmanship is in accordance with Clause 49 of the Listing Agreement(s) and reflects the Membership/Chairmanship of the Audit Committee and Shareholders'/Investors' Grievance Committee alone of all other Public Limited Companies.

Registered Office:
Udyog Vihar,
P.O.Chorhata,
Rewa - 486 006 (M.P.)
June 21, 2014

By Order of the Board

Somesh Laddha
Sr. Manager (Finance) &Secretary

Directors' Report

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Twenty Second Annual Report, together with the Audited Financial Statements of the Company for the year ended 31st March, 2014.

ACCOUNTS & FINANCIAL MATTERS

	2013-14 (Rs. in lacs)	2012-13 (Rs. in lacs)
Revenue from operations (gross)	**31945.23**	13561.41
Other income	**219.88**	314.47
	32165.11	13875.88
The year's working shows a		
Gross Profit (after Interest) of -	**2810.94**	933.38
Less: Depreciation and Amortisation expense	**463.68**	364.70
Profit before tax	**2347.26**	568.68
Current tax (MAT)	**443.20**	-
Less: Minimum alternate tax credit entitlement	**(365.00)**	-
Net current tax	**78.20**	-
Deferred tax charge	**345.00**	-
Net Profit for the year	**1924.06**	568.68

GENERAL & CORPORATE MATTERS

During the year under review, your Company has achieved one of its best performances with optimism and renewed vigor despite a challenging macro economic environment. Your Company's revenue from operations increased to Rs.31945.23 lacs in the current year from Rs.13561.41 lacs in the previous year (an increase of about 135%) and the gross profit for the year significantly increased to Rs.2810.94 lacs as against Rs.933.38 lacs in the previous year. With the investment plans announced by large operators in enhancing optical fibre network and the take-off in National Optic Fibre Network(NOFN) from BBNL, etc. has put your Company in an advantageous position to achieve and realize the upward growth curve in telecom cables business in the immediate future.

The gross revenue from operations for the year under review substantially increased as compared to the previous year mainly due to increased off take of optical fibre cables by the Company's important private sector operators and domestic government customers coupled with a continuous sales growth in the export markets. Your Company has also supplied reasonably good volume of high fibre count Optical Fibre Cables to a leading private sector customer during the year under review reflecting Company's strategy to remain consistently relevant to the evolving business needs of the customers. Despite evolving business preferences and intense competitive landscape in telecom cable industry, the traditional PIJF Cables and other specialty cables business have increased their share moderately in the overall revenue from operation of the Company. With the emphasis on control on the material consumption and monitoring of factory and other overheads, the Company has achieved a significant increase in the gross profit levels compared to the previous year figure. This was possible as the Company has been consistently working on reducing the costs at all levels and on improving the margins by continuous innovation and development of cost effective products.

Building the country's new telecom infrastructure based on latest cost effective world-class technology and upgrading the existing network facilities is of paramount importance. The need for building a state-of-the-art telecom network is felt under various stages of planning and implementation by all stakeholders including the regulator and the government authorities.

Some of the big ticket telecom projects announced includes National Optic Fibre Network from Bharat Broadband Network Limited (BBNL), a special purpose vehicle promoted by public sector companies like BSNL, PGCIL and RailTel under USO funding mechanism. This ambitious project plans to bring rural India into the high-speed broadband network by way of connecting 250,000 villages using 400,000 km. of optical fibre cables. Other private telecom operators are also in the anvil for upgrading the existing network in 2G and 3G and some are implementing ambitious Greenfield state-of-the-art network using latest technologies like 4G-LTE for high speed broadband applications to offer superior customer experience and delight. Lastly, it is proved that higher broadband penetration among the masses will uplift the economy of the country as a whole and will contribute in socio-economic development and inclusive growth. In order to achieve broadband penetration, it would be necessary that the last mile connectivity to the customers' premises is capable to handle the high speed connectivity. This necessarily requires optical fibre cables to be laid to homes or buildings or even to wireless transmission towers in the area. The National Telecom Policy, 2012 also provides for a strategy to encourage Fibre To The Home (FTTH) with enabling guidelines and policies favouring fast transformation of cities and towns into "Always Connected" societies which augers well for telecom cable industry in general.

Your Company is well positioned to grab these big opportunities which will lift the company to different league by way of using its best-in-class technologies in a cost effective manner and also developing new products especially for Export markets apart from catering to the needs of Domestic customers.

DIVIDEND

After considering the Company's profitability, cash flow and overall financial performance, the Board of Directors of the Company is pleased to recommend a Dividend of Re.1/- per equity share of Rs.10/- each (i.e. 10%) for the financial year ended 31st March, 2014. The total quantum of Dividend, if approved by the Members, will be about Rs.300.00 lacs while about Rs.50.99 lacs will be paid by the Company towards Dividend Distribution Tax and Surcharge thereon.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion & Analysis, Report on Corporate Governance and a certification by the Chief Executive Officer (CEO) confirming compliance by all the Board members and senior management personnel with Company's Code of Conduct form a part of the Annual Report. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance is given in Annexure, which is attached hereto and forms part of this Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief and according to the information and explanation obtained by them, state that:-

- In the preparation of the Annual Accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed;
- The Company has selected such accounting policies, applied them consistently, made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The attached Annual Accounts have been prepared on a 'going concern' basis.

INDUSTRIAL RELATIONS

Industrial relations remained cordial through out the year. Your Directors recognize and appreciate the sincere and hard work, loyalty, dedicated efforts and contribution of all the employees that ensured sustained improvement in operational efficiencies of the Company in most difficult and challenging business environment during the year.

The Company continues to accord a very high priority to both industrial safety and environmental protection and these are ongoing processes at the Company's plant and facilities.

RECOGNITION

The Company's manufacturing facilities continue to remain certified by independent and reputed external agency as being compliant as well as aligned with the external standards for Quality System IS/ISO 9001:2008 & ISO TS 16949:2009 and Environmental Management Standards IS/ISO 14001:2004. During the year, the audits for these Certifications established continuous improvement in performance against these standards.

DIRECTORS

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors shall not be included in the total number of directors of the Company. Accordingly, Mr.Mats O.Hansson, Director shall retire by rotation at the ensuing Annual General Meeting and does not seek re-appointment. The Board has decided not to fill, for the time being, the vacancy caused due to his retirement.

Pursuant to Section 149(6) of the Companies Act, 2013, Directors are required to inform their status as to 'Independent Director' (ID) in the first meeting of the Board of Directors held from April 1, 2014. Accordingly four of the Directors of your Company viz. (i) Mr.R.C.Tapuriah, (ii) Dr.Aravind Srinivasan, (iii) Mr.Arun Kishore and (iv) Mr.K.Raghuraman have declared their adherence to the criteria fixed under Section 149(6) for 'Independent Directors'. The Board of Directors of the Company at its meeting held on 19th May, 2014 perused their declarations and other requirements under the Companies Act, 2013 and the Rules made thereunder, as applicable, and found all of them to be meeting with criteria for Independent Director and same were taken on record. The relevant provisions of the Companies Act, 2013 also provide that the IDs shall be appointed as such within a period of 12 months from April 1, 2014. Your Board has deemed it prudent and recommended to the Shareholders their appointment as ID for a period upto 5 years at the ensuing Annual General Meeting. All IDs shall not be liable to retire by rotation. None of the above mentioned persons is disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Details of Directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement with Stock Exchanges are given in the Notice of the ensuing Annual General Meeting, which is being sent to the shareholders along with Annual Report.

Mr.Magnus Kreuger, Director resigned from the Board of your Company with effect from 1st February, 2014 and Mr.Mats O.Hansson, retiring Director in the ensuing Annual General Meeting has expressed his unwillingness for re-appointment. The Board places on record its appreciation for the distinguished services rendered by Mr.Magnus Kreuger and Mr.Mats O.Hansson during their respective term as Director of the Company.

AUDITORS

Messrs V. Sankar Aiyar & Co., Chartered Accountants (Registration No.109208W), were appointed as Statutory Auditors to hold office until the conclusion of the ensuing Annual General Meeting of the Company. Section 139 read together with other provisions of Chapter X of the Companies Act, 2013 and the Rules made thereunder, inter alia, provide that no listed company shall appoint/re-appoint an audit firm as auditor for more than two terms of five consecutive years. In other words, the Company can make appointment of auditor for five years at a time. Since Messrs V. Sankar Aiyar & Co. has been functioning as Auditors of the Company since last nine consecutive years, the Board of Directors unanimously agreeing to the recommendation of the Audit Committee, further recommends re-appointment of Messrs V.Sankar Aiyar & Co. as Statutory Auditors of the Company upto three years to hold office from the conclusion of the ensuing Annual General Meeting (22nd) till the conclusion of fourth consecutive Annual General Meeting(25th) hereafter, subject to ratification by shareholders in every Annual General Meeting.

The Board of Directors has appointed Messrs D. Sabyasachi & Co., Cost Accountants, as Cost Auditors for conducting audit of the cost accounts maintained by the Company in respect of cables and fixed their remuneration based on the recommendation of the Audit Committee. The remuneration payable to Cost Auditors is subject to ratification by the shareholders in the ensuing Annual General Meeting of the Company.

The due date and actual date of filing of the Cost Audit Report of the Company for the financial year 2012-13 were 27.09.2013 and 02.09.2013 respectively.

AUDITORS' REPORT

Notes to Financial Statements are self explanatory including with respect to Emphasis of Matter paragraph drawn by the Auditors in their report and therefore, do not call for any further comments or explanations.

PARTICULARS OF EMPLOYEES

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employees qualify for such disclosure.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the concerned particulars relating to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure, which is attached hereto and forms part of the Directors' Report.

ACKNOWLEDGEMENT

The Board of Directors desires to place on record its grateful appreciation for the excellent assistance and co-operation received from the State Government and continued support extended to the Company by the bankers, investors, suppliers, esteemed customers and other business associates. The Board also expresses its appreciation of the assistance and unstinted support received from venturer's and promoter companies viz. Universal Cables Limited, Vindhya Telelinks Limited and Ericsson Cables AB, Sweden.

Yours faithfully,

Harsh.V.Lodha	Chairman
D.R.Bansal	Directors
R.C.Tapuriah	
Dr. Aravind Srinivasan	
Arun Kishore	
K.Raghuraman	

New Delhi, May 19, 2014

ANNEXURE

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 217(1)(e) OF THE COMPANIES ACT,1956 AND THE RULES MADE THEREIN AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

(A) CONSERVATION OF ENERGY

The Company's operations do not involve substantial consumption of energy in comparison to the cost of production. Nevertheless, the Company continuously reviews energy usage to track and replace energy inefficient equipments, invests in installing processes that reduces energy losses, modifies processes to reduce energy need and proactively carry out energy audits when considered appropriate. The Company is conscious of environmental impact of its operations and always strives to reduce energy consumption. Towards this end, some of the steps taken in this direction during the year are described below:

- Putting off one Transformer by load optimization.
- Proper maintenance of all machinery & other equipments and timely replacement of worn out components besides maximum utilization of available resources by bringing awareness amongst employees/workers.
- Replacement of 250W HPMV Lamps with 80W CFLs for plant lighting.
- Replacement of 40W Tube lights with LED lights.
- Consistent quality power supply to critical production machinery through UPS system resulting in improved power factor, reduced dependence on captive power and avoidance of uninformed power outages.

(B) TECHNOLOGY ABSORPTION

I Research and Development (R&D)

1.	Specific areas in which R&D carried out by the Company	(a) Innovate and improve process capability, attain global benchmarks with consistent focus on the operational excellence. (b) Design and development of special products as per evolving technical standards in the industry as well as specific to the requirement of certain export market. (c) Fine tuning of design parameters based on in-depth discussions and evaluation of customers feedback on product quality for enhanced variety of applications. (d) Continue to adopt innovation and emerging technologies as future growth drivers and improvement of existing products.
2.	Benefits derived as a result of the above R&D	(a) Enhanced flexibility and agile manufacturing keeping abreast of the changing needs of customers, launching of new products including line extensions of existing products which were developed by using in-house R & D capabilities, marked improvement in productivity and overall operating efficiencies besides consistency/stability in products. (b) Successful launch of Shotgun resistant ADSS Cables, Triple sheath double armoured cables with flame retardant low smoke properties & Triple sheath SWA cable with flame retardant low smoke properties for oil refineries. (c) Leveraging the core technological expertise that the Company has acquired over the years in order to stimulate demand by developing and offering innovative quality new products and services. (d) Alignment of products meeting enhanced applications by modifying technical specifications and manufacturing processes.
3.	Future plan of action	Continuation of the ongoing efforts to be globally competitive and excel in the core business activities by focusing on customer orientation, technological capability, innovation and renovation of products, design capabilities and quality.
4.	Expenditure on R &D	R & D Expenditure have not been accounted for separately.

II Technology absorption, adaptation and innovation

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation	(a) The Company absorbs and adapts the technologies on a continuous basis to meet its specific product needs from time to time. (b) Analysing feedback from end users to improve quality of products.
2.	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	(a) Embraced innovation and R&D based excellence for productivity and new market development, upgraded technologies and production processes, the efficiency of supply chain, creation of new products and line extensions of some of the existing products. (b) Integration of human and technical resources to enhance workforce performance and satisfaction. As a result, the engineering staff is very keenly harnessing the best of technology products. (c) Unmatched understanding of customer needs and a detailed knowledge of available solutions. As a result, the Company has been able to expand its business reach apart from becoming more competitive. (d) Initiatives on lean practices by implementing 5S, Kaizen, Process Layout improvement and reduction in changeover time.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished -

(a) Technology imported	:	The Company has not imported any technology in the last five financial years. However, the Company has access for technical information and assistance from its Collaborator, Ericsson Cables AB, Sweden being a promoter.
(b) Year of Import	:	Not Applicable
(c) Has technology been absorbed? If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	:	Yes, the technology pertaining to the existing products manufactured by the Company has been adapted and absorbed by the Company.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings (Excluding exports to Nepal Rs. 211.25 lacs)	:	Rs.4768.58 lacs
Outgo	:	Rs.8744.48 lacs

Yours faithfully,

Harsh.V.Lodha — Chairman

D.R.Bansal
R.C.Tapuriah
Dr. Aravind Srinivasan
Arun Kishore
K.Raghuraman
— Directors

New Delhi, May 19, 2014

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement relating to Corporate Governance with the Stock Exchanges, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct during the financial year 2013-14.

For Birla Ericsson Optical Limited

Place : Mumbai
Date : May 2, 2014

R.Sridharan
Chief Executive Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE SHAREHOLDERS OF BIRLA ERICSSON OPTICAL LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Birla Ericsson Optical Limited ("the Company") for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No.109208W

Place : New Delhi
Date : May 19, 2014

R.Raghuraman
Partner
Membership No. 081350

Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company's operations are predominantly classified into Wires and Cables comprising primarily Telecommunication Cables and other types of Wires and Cables.

Optical Fibre Cable (OFC) is mainly used in long distance networks and generally forms the backbone of all telecom networks. The overall trend for the technologies is focused on data and converged services, and making the solutions more robust. OFC is the noticeable preference of service providers for new network rollouts and upgrades of existing ones to meet growing traffic demands, with its virtual limitless capacity to transfer bandwidth. The deployment of fourth-generation 4G LTE wireless networks in India is already propelling the growth of OFC in the Indian subcontinent. Hence, the next level of demand for bandwidth for data and video can only be met by fiber.

The Indian market for copper telecom cable viz. Jelly Filled Telephone Cable (JFTC) has been passing through very difficult times in the last few years. The number of fixed line telephone subscribers in India is witnessing stagnant or declining trend whereas wireless services continue to grow at a phenomenal pace leading to anemic demand coupled with unremunerative prices for JFTC. The fluctuation in the price of copper and the volatile exchange rate are the other challenges faced by the vendors in the industry. The volatility of copper pricing has been escalating consistently in the last three years. Keeping a steady price for copper products has become a challenge for every cable manufacturer.

There is no material change in the industry structure as was reported last year.

OVERALL REVIEW

Business Review and Outlook

At present, Optical Fibre Cable(OFC) connectivity is available in all state capitals, districts, head quarters, and up to the block levels. The government through National Optical Fiber Network(NOFN) plans to connect all gram panchayats by utilizing existing fibres of three CPSUs – BSNL, Railtel, and Power Grid – to avoid any duplication, and laying incremental fibre (estimated to be 500,000 km) wherever necessary. Dark fibre network thus created to fill the gap between gram panchayats and blocks will be lit by Gigabit Passive Optical network technology. It is estimated that NOFN will enable effective and faster implementation of various mission mode e-governance projects amounting to Rs.50,000 crore initiated by the Department of Information Technology besides the services for rural areas by the private sector.

The year 2013 may have paved the way for a path to revival, and now the industry is looking at 2014 with cautious optimism. The year 2014 will likely be a year of consolidation and strengthening of business by most mobile network operators. With rationalization of realized rates, sharp growth of data revenue, control on acquisition costs and churn, and some clarity on the regulatory front, the industry, albeit still a long way from being financially robust, is set to see positive growth and stability.

Increasing data consumption will enable incumbent operators to effectively address consumers' demands for better quality services and disruption-free access across 2G, 3G, and 4G networks. Rapid adoption of smartphones and data addiction has already propelled consumption of high speed data services. In fact, operators are feeling the urgency to address their network optimization and coverage issues by implementing efficient architecture and equipment. This positive change has already resulted in the growth of consumption in OFC which augurs well for the company.

Some investment plans have been announced by large operators. One of the multinational giants plans to invest Rs.7000 crore over the next couple of years, in enhancing network, fiber optics and assets. This is in addition to its annual budget of Rs.4000 – 5000 crore.

Another important private sector corporate plans to invest Rs.7000 crore over the next two to three years to launch 4G services on a pan-India level. Since a simultaneous rollout of 4G services is planned in Kolkata, Delhi, Mumbai, and Jamnagar before the second quarter of FY 2014-15, major equipment procurement is expected. Punjab shall see Rs.6500 crore on digital infrastructure for 4G telecom services to the tune of Rs.2500 crore and Rs.4000 crore from another private sector giant.

Telecommunication Cables

(A) Optical Fibre Cables (OFC)

The increase in revenue from OFC business at Rs.27975.22 lacs as compared to Rs. 10289.95 lacs in the previous year is mainly due to demand from certain private sector customers and government customers and a spurt in exports of Optical Fibre Cables. The Company has been constantly looking for export opportunities to compliment the demand in domestic market which is evident from the Company achieving export sales of Rs.4927.75 lacs in the financial year 2013-14, an improvement of 112% compared to the corresponding previous year.

Despite the increase in demand of OFC, there may not be any significant improvement in the domestic OFC prices as the bargaining power of buyers and the existence of overcapacity will constrain the ability of domestic players to resort to any considerable price hikes in the near future.

Building the country's new telecom infrastructure based on latest cost-effective world-class technology and upgrading the existing network facilities is of paramount importance. The need for building a state-of-the-art telecom network is felt under various stages of planning and implementation by all stakeholders including the regulator and the government authorities.

Some of the big ticket telecom projects announced are, National Optic Fibre Network from Bharat Broadband Network Limited (BBNL), a special purpose vehicle promoted by public sector companies like BSNL, PGCIL, and RailTel under USO funding mechanism. This ambitious project plans to bring rural India into the high-speed broadband network by way of connecting 250,000 villages using 400,000 km. of optical fibre cables. Other private telecom operators are also in the anvil for upgrading the existing network in 2G and 3G and some are implementing ambitious Greenfield state-of-the-art network using latest technologies like 4G-LTE for high speed broadband applications to offer superior customer experience and delight.

The necessary emerging policy guidelines and customer friendly regulatory mechanism will definitely boost this industry as hunger for bandwidth is increasing. Latest technological developments in both active and passive equipment are the key for success in the industry for a cost-effective rollout and long-term utility of the network.

(B) Jelly Filled Telephone Cables (JFTC)

The Company's domestic sales turnover on account of JFTC increased from Rs.131.70 lacs in the previous year to Rs.921.77 lacs during the year under review is mainly due to increase in demand from BSNL and private operators. Also, additional sales of switchboard cables, coaxial cables and other specialty cables in the JFTC business has kept the momentum to a nominal increase in sales.

As a strategy, the Company is concentrating more on export markets, for which the necessary platform and credentials have already been established in the last few years. The JFTC business has been undergoing the shift to Specialty Cables for end user connectivity and broadband applications that has been predicted for in last few years.

Other Wires & Cables

The Company's sale of other Wires and Cables reduced from Rs.251.97 lacs to Rs.112.24 lacs is due to reduced off take from multinational customers in auto industry and other customers in Power Cables.

Financial Review

- The revenue from operations (gross) increased by 135.56 % to Rs.31945.23 lacs as compared to Rs. 13561.41 lacs in previous year primarily due to substantial increase in sales of OFC both in value and volume terms.
- The raw material consumption and other charges were higher as compared to previous year due to higher production level.
- The other borrowing cost increased from Rs.66.76 lacs in previous year to Rs.144.67 lacs mainly due to higher utilization of working capital limits during the year under review. Also, the interest cost has increased to Rs.645.86 lacs (previous year Rs. 342.98 lacs) due to extended credit to private sector customers as per evolving industry norms.
- Due to increase in the operations revenue from Rs. 13561.41 lacs to Rs.31945.23 lacs in the financial year under review and the continuous control on all costs, the Company has achieved a gross profit (profit before depreciation) of Rs.2810.94 lacs as against the gross profit (profit before depreciation) of Rs. 933.38 lacs in the previous year.

- There was no change in the capital structure during the year. However, the increase in Reserves & Surplus of Rs.1924.06 lacs is because of the net profit in the current year.
- The additions to the fixed assets of Rs.1158.47 lacs during the year mainly comprise of Optical Fibre Ribbon making Machine, Secondary Coating Line, Fibre Colouring Line, High Speed Binder, Electrostatic Powder Application Unit, Electrical Equipments, etc.
- For detailed information on the financial performance with respect to operational performance, a reference may please be made to the financial statements.

OPPORTUNITIES AND THREATS

The telecom sector, which was a poster boy for the past five years and an example for the world in terms of growth in number of subscribers for voice connectivity, has been in rough weather for the past one or two years.

The Indian optical fibre cable manufacturing facilities were operating at low capacities for many years now and they were mainly dependent on exports to utilize a decent capacity to cover costs. But now from 2013-14 onwards, the industry is finally seeing a brisk business with almost all plants are working at full capacity mainly due to some of the private operators' thrust in building world class telecom networks using optical fibre cables especially for 4G LTE data centric network.

The increasing usage of Smartphones across the entire strata of the population both urban and rural parts of our country warrants the deployment of high bandwidth capable optical fibre cables in all backbone, metro, access, subscriber segments of telecom network. The youth of our country is data hungry with the explosive use of Social Media networks with the data traffic growth is set to reach exponential levels which can't be catered by the existing network capabilities and huge usage of optical fibre cables is underway across the country. At last, Optical fibre cable industry is set to explode and 2013-14 is already a turning point and considerable requirement is on the anvil.

It can be concluded that though the year 2012-13 has not been great, the outlook for 2013-14 and the coming years looks promising for the telecom sector. With clarity on the licensing and spectrum front, with merger and acquisition guidelines finalized, government investments committed in the NOFN project and dedicated countrywide optical fibre cable network for the country's armed forces.

The customer base in telecommunication cable industry is relatively concentrated. The Company has, however, been able to retain and expand its customer base in domestic and overseas market places with enlargement of products range and consistent quality. Your Company with the excellent brand image apart from the value addition from the Joint Venture Partner viz. Ericsson Cables AB, Sweden, is set to capitalize the surging growth opportunities in exports to a great extent.

Telecom Sector is impacted substantially by government policies and investment. While no reversal in the planned investment is envisaged, prices and demand are definitely subject to changes in policies on tendering and indenting. However, as explained above the Government's ambitious targets for telecommunication expansion and broadband penetration seamlessly upto village levels should see favourable regulatory environment in India.

With the Indian Optical Fibre Cables and LAN Data structured Cable market now forecast to be set for a period of strong growth, a number of leading international cable manufacturers may enter the market which shall further intensify the cut throat competition.

RISKS AND CONCERNS

Despite the fact that the Indian economy has not been severely affected by the global recession due to its strong fundamentals and the inclusive growth, the major risks for 2014-15 towards conducting the business for any corporate are listed as credit crunch, regulation and compliance, recession, cost cutting, inflation, volatile foreign currency movements, non traditional entrants, managing talent and controlling the attrition, developing a risk free business model, etc. and the Company is fully aware of all the above risks and has adopted suitable measures to work more efficiently and responsively with long term vision and business acumen.

Technological

(a) The consumption of JFTC is expected to remain low due to increasing telephone density and large scale deployment of wireless technology as compared to JFTC in access networks in India.

(b) The Competition within the OFC business is becoming fierce due to emerging new technologies and frequent new product introductions in optical fibre arena by certain integrated overseas players that command competitive prices and preference in the market place.

(c) Inspite of the numerous advantages of laying optical fibre cables, the process meets resistance in the cities due to the very high Rights-of-Way (RoW) charges besides inordinate delays. Accordingly obtaining RoW clearances is an extremely time consuming and cumbersome process leading to deferment of network expansion plan.

Financial

Financial risks would include, interalia, low capacity utilization, unremunerative prices, highly concentrated customers base, shorter delivery schedule and liquidated damages, foreign exchange exposure and related exchange rates variation, commodity price including adverse movements in prices of raw-materials, warranty and security, current or future litigations, working capital management and interest rate, contingent liabilities, etc. In addition, the credit risks could increase, if the financial condition of Company's customers decline. The Company regularly identifies and monitors the financial risks as well as potential business threats and develops appropriate risk mitigation plans. The Company's crisis management capability is also reasonably honed to protect its reputation with its stakeholders.

INTERNAL CONTROL SYSTEMS

The Company's system of financial, operational and compliance control and risk management is embedded in the business process by which the Company pursues its objectives. The established system also provides a reasonable assurance on the efficiencies of operations, safety of assets besides orderly and legitimate conduct of Company's business in the circumstances which may reasonably be foreseen. The Company has a defined organization structure, authority levels delegated powers, internal procedures, rules and guidelines for conducting business transactions.

The Company has engaged a firm of Chartered Accountants for internal auditing, who besides conducting periodic audits, independently reviews and strengthens the control measures. The Internal Auditors regularly brief the Management and the Audit Committee on their findings and also on the steps to be taken with regard to deviations, if any.

ENVIRONMENT & SAFETY

The Company successfully continued with the implementation of industrial safety and environmental protection measures and these are ongoing processes at the Company's plant and facilities. As a recognition of these objectives, the entire range of activities of the Company continue to remain certified to the requirement of international standard IS/ISO 14001:2004 by the Bureau of Indian Standards.

The Company has taken initiative for RoHS (Restriction of Hazardous Substances Directive) compliance in its products and manufacturing processes in accordance with existing and anticipated environmental legislations and relevant market requirements.

INDUSTRIAL RELATIONS & HUMAN RESOURCE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITIES

The Company sees its relationship with its employees as critical to the future and believes that every employee needs to possess apart from competence, capacity and capabilities, sustainable values, current and contemporary which would make them useful, relevant and competitive in managing the change constructively for overall growth of the organisation. To this end, the Company's approach and efforts are directed towards creating a congenial work atmosphere for individual growth, creativity and greater dedicated participation in organisational development. In-house and external training and instructions are also provided to employees at all levels, which help in attaining professional and productive culture by a blend of technology and highly skilled manpower.

The Company is committed to maintain good industrial relations through active participation of workers, regular meetings and discussions on all legitimate and legally tenable issues. The Company employed 172 number of permanent employees on its Roll as on 31st March, 2014.

CAUTIONARY STATEMENT

Statements in the Management's Discussion & Analysis Report which seek to describe the Company's objectives, projections, estimates, expectations and predictions may be considered to be "forward-looking statements" as of the date of this report and are stated as required by applicable laws and regulations. Actual performance and results could differ materially from those expressed or implied and the Company owes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances. Market data and product analysis contained in this Report has been obtained from internal Company reports and industry publications, but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Report on Corporate Governance

The detailed Corporate Governance Report pursuant to Clause 49 of the Listing Agreement with the stock exchanges is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company's Philosophy on Corporate Governance envisages the attainment of corporate excellence by providing greater customer satisfaction, high employee morale and commitment, enhanced shareholder value and sensitivity to societal concerns by maintaining equilibrium between the aspirations of owners, employees, customers and other stakeholders. The Company believes that the governance process should ensure economic prosperity and long term value creation for the enterprise and its shareholders by applying implicit principles of independence, transparency, accountability and responsibility, fairness, investor protection, better compliance with statutory laws & regulations and societal concerns. The Company also respects the inalienable rights of its investors and other stakeholders to information on the performance of the Company based on highest professional, ethical and financial reporting standards.

2. BOARD OF DIRECTORS:

The present strength of the Board of Directors is seven (7), out of which four (4) are Independent Non-Executive Directors. The remaining three (3) Directors comprises of one Non-Executive Chairman, one Non-Executive Director being nominees of Indian Promoters and one Non-Executive Director representing Foreign Promoter Company as its nominees in accordance with the rights enshrined in the Joint Venture Agreement and Articles of Association of the Company. The constitution of the Board reflects compliance in respect of appointing independent directors in terms of Clause 49 of the Listing Agreement.

During the financial year ended on 31st March, 2014, four Board Meetings were held as per Statutory requirements on 21st May, 2013, 10th August, 2013, 9th November, 2013 and 30th January, 2014. The maximum time gap between any two meetings was not more than four months.

The following table gives the composition and category of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships/ Chairmanships held by them in other companies:-

Name of the Director	Category	Attendance Particulars		No. of other Directorships and Committee Memberships/ Chairmanships		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Harsh .V.Lodha (Chairman)	Non-Executive Chairman	4	No	8	2	2
Mr.D.R.Bansal	Non-Executive	3	No	4	2	None
Mr.Magnus Kreuger [upto 01.02.2014]	Non-Executive	3	No	-	-	-
Mr.Mats O.Hansson	Non-Executive	1	No	None	None	None
Mr. R.C.Tapuriah	Independent Non-Executive	4	Yes	7	4	1
Dr.Aravind Srinivasan	Independent Non-Executive	2	No	None	None	None
Mr.Arun Kishore	Independent Non-Executive	4	No	1	None	None
Mr.K.Raghuraman	Independent Non-Executive	3	No	8	5	2
Mr.S.K.Daga (Alternate to Mr. Mats O.Hansson)	Non-Executive	-	No	9	1	4
Mr.Dinesh Chanda (Alternate to Mr.Magnus Kreuger) [upto 30.01.2014]	Non-Executive	1	No	-	-	-

Notes:

(i) Number of other Directorships held by the Directors, as mentioned above, do not include alternate directorships and directorships held in foreign companies, and Indian private limited companies besides trustee/membership of managing Committees of various trusts and other bodies, and are based on the latest declarations received from the Directors. The details of Committee Membership/ Chairmanship is in accordance with revised clause 49 of the Listing Agreement(s) and reflects the Membership/Chairmanship of the Audit Committee and Shareholders/Investors' Grievance Committee alone of all other Public Limited Companies.

(ii) The requirement that a Director shall not be a member of more than10 Committees and Chairman of more than 5 Committees across all Companies in which he is a Director, has been complied with while constituting the Committee of Directors.

(iii) No disclosure regarding number of other Directorship and Committee Membership/Chairmanship is given in the above table in respect of Mr.Magnus Kreuger and Mr.Dinesh Chanda (Alternate Director) on their having ceased to be a Director/Alternate Director consequent upon resignation from such office with effect from 1st February, 2014.

(iv) Disclosure of the number of equity shares of the Company held by non-executive directors as on 31st March, 2014 – Mr. S.K. Daga (Alternate director) - 2000

(v) None of the Directors on the Board of our Company enjoys any relationship with other Directors of the Company.

All material information are circulated to the directors before the meeting or placed at the meeting including minimum information as required under Annexure-IA of Clause 49 of the Listing Agreement(s). The Board has complete and unrestricted access to any information required by them to understand the transactions and take decisions. This enables the Board to discharge its responsibilities effectively and take informed decisions. The compliance report of all laws applicable to the Company as prepared and compiled by the Compliance Officer is circulated to all the Directors alongwith the Agenda and placed/reviewed in each Board Meeting.

The Board has laid down a Code of Conduct for all Board Members and senior Management Personnel of the Company and the same has been posted on the website of the Company. For the year under review, all Directors and senior Management Personnel of the Company have confirmed their adherence to the provisions of the said Code.

A brief resume and the profile of Directors retiring by rotation and eligible for re-appointment at the ensuing Annual General Meeting (AGM) are given in the Notice of AGM of the Company, annexed to this Annual Report.

3. AUDIT COMMITTEE :

The Audit Committee was formed during the financial year 2000-01 and has been re-constituted over the years as per applicable legal and regulatory requirements from time to time. The existing Audit Committee consists of four Independent Non-Executive Directors as specified below:-

(i)	Mr. R.C.Tapuriah	:	Chairman	(Independent Non-Executive Director)
(ii)	Dr.Aravind Srinivasan	:	Member	(Independent Non-Executive Director)
(iii)	Mr.Arun Kishore	:	Member	(Independent Non-Executive Director)
(iv)	Mr.K.Raghuraman	:	Member	(Independent Non-Executive Director)

The constitution and composition of the Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956.

All the members of the Audit Committee are financially literate and having insight to interpret and understand financial statements.

The Secretary of the Company acts as the Secretary of the Audit Committee.

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meeting and frequency of meetings are in accordance with Clause 49(II) of the Listing Agreement with Stock Exchanges besides complying with the requirements of Section 292 A of the Companies Act, 1956. The terms of reference of the Audit Committee include, interalia, -

(i) Oversight of the Company's financial reporting process and the disclosure of its financial information.

(ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees and also approval of payment for any other services rendered by the statutory auditors.

(iii) Reviewing, with the management, the annual and quarterly financial statements before submission to the board for approval.

(iv) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

(v) Discussion with internal auditors any significant findings and follow up thereon.

(vi) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

(vii) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

(viii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

(ix) To review mandatorily the following information –

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

(c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

(d) Internal audit reports relating to internal control weaknesses; and

(e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

During the financial year ended 31st March, 2014, four Audit Committee Meetings were held and attendance thereof are given below:-

Name of Members	Meetings held and attendance particulars			
	May 20, 2013	August 9, 2013	November 8, 2013	January 29, 2014
Mr.R.C.Tapuriah	Yes	Yes	Yes	Yes
Dr.Aravind Srinivasan	Yes	-	Yes	-
Mr.Arun Kishore	Yes	Yes	Yes	Yes
Mr.K.Raghuraman	Yes	Yes	-	Yes

The necessary quorum was present at all these meetings. While the Statutory Auditors attended all meetings, the Internal Auditors attended two meetings, the Cost Auditors of the Company attended one meeting. Chief Executive Officer and other invited executives also attended the meetings to answer and clarify the issues raised at the meetings.

4. REMUNERATION COMMITTEE:

The Remuneration Committee constituted in pursuance of the provisions of the Listing Agreement and Schedule XIII to the Companies Act, 1956 comprises of all three Independent Non-Executive Directors viz. Dr.Aravind Srinivasan as Chairman with Mr.Arun Kishore and Mr.K.Raghuraman, as its members.

The terms of reference of the Remuneration Committee are as per the guidelines of the Central Government/Listing Agreement(s) with Stock Exchanges. During the financial year ended on 31st March, 2014, Remuneration Committee met only once on 20th May, 2013 which was attended by all the members. As per terms of reference, the Remuneration Committee recommended the Annual Increment of Mr.R.Sridharan, Manager and Chief Executive Officer in the basic salary together with consequential increase in all other perquisites, allowances and benefits payable with effect from 01.04.2013.

At present, the Company does not have any policy for payment of remuneration to Non-Executive Directors including Non-Executive Independent Director except sitting fees at the rate of Rs.15000/- for each meeting of the Board of Directors, Audit Committee & Remuneration Committee and Rs.2000/- for each meeting of the Share Transfer-Cum-Investors' Grievance Committee attended by any such Director. The details of remuneration paid to Directors for the financial year ended March 31, 2014, are set out below:-

Non-Executive Directors:

Name of the Director	Sitting Fees (Rs. in lacs)
Mr.Harsh V.Lodha	0.60
Mr.Magnus Kreuger	0.45
Mr.Mats O.Hansson	0.15
Mr.R.C.Tapuriah	1.24
Dr.Aravind Srinivasan	0.64
Mr.Arun Kishore	1.35
Mr.K.Raghuraman	1.05
Mr.D.R.Bansal	0.49
Mr.S.K.Daga	0.00
Mr.Dinesh Chanda	0.15

Notes: (i) Sitting fees include fees paid for attending Committee Meetings.

(ii) Presently, the Company does not have any scheme for grant of Stock Options to its Directors or other employees.

(iii) None of the employees is related to any of the Directors of the Company.

5. SHARE TRANSFER-CUM-INVESTORS' GRIEVANCE COMMITTEE :

The Share Transfer-cum-Investors' Grievance Committee constituted by the Board acts in accordance with the terms of reference specified by the Board from time to time which, interalia, include overseeing and reviewing all matters connected with investors' complaints and redressal mechanism besides approval or authorizations for issue of duplicate share certificate, share transfer/transmission/refusal of transfer/ consolidation/sub-division/dematerialisation or rematerialisation, etc. as per applicable statutory and regulatory provisions.

The compensation of the Share Transfer-cum-Investors' Grievance Committee and details of meetings attended by the members thereof are as follows –

Name of the Members	Category	No. of meetings attended
Dr.Aravind Srinivasan	Non-Executive Independent	2
Mr.R.C.Tapuriah	Non-Executive Independent	2
Mr.D.R.Bansal	Non-Executive	2

Dr.Aravind Srinivasan was elected as the Chairman of the Committee. The Secretary of the Company has been designated as the Compliance Officer.

During the year ended 31st March, 2014 two meetings of the Committee were held on 20th May, 2013 and 8th November, 2013.

During the year under review, 9 (nine) complaints (excluding those correspondences which are not in the nature of complaints) were received from shareholders and investors, directly or through regulatory authorities. All the complaints have been attended/resolved to the satisfaction of complainants during the year except in cases which are constrained by disputes or legal impediments or other sub-judice matters, if any. No request for share transfer was pending for approval as on 31st March, 2014.

6. GENERAL BODY MEETINGS:

Location and time where General Body Meetings were held in last three years are given below:

Financial Year	Type of Meeting	Date	Time	Venue of the Meeting
2010-11	AGM	7th September, 2011	11.30 A.M.	Registered Office of the Company at : Udyog Vihar, P.O.Chorhata, Rewa (M.P.) - 486 006
2011-12	AGM	29th June, 2012	11.30 A.M.	
2012-13	AGM	9th July, 2013	05.00 P.M.	

All the resolutions set out in the respective notices of the above mentioned meetings were passed by the members as ordinary resolutions except a special resolution concerning appointment of Mr.R.Sridharan, as Manager & Chief Executive Officer of the Company which was passed on by show of hands. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through Postal Ballot.

Resolution through Postal Ballot:

During the year 2010-11, the Company has taken shareholders approval by way of Special Resolution through Postal Ballot to make loan, give guarantees, provide securities and make investments beyond the limits specified under Section 372A of the Companies Act, 1956 by which the approval of the shareholders was sought as required under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for which a separate ballot paper and other communication were circulated to the shareholders. The above resolution was passed with requisite and overwhelming majority.

7. DISCLOSURES :

(a) There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with the related parties during the year in the ordinary course of business is disclosed in Note No.36 of Notes to the financial statements in the Annual Report.

(b) The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authorities on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on the Company by these authorities.

(c) The Company has generally complied with all the mandatory requirements as stipulated under revised Clause 49 of the Listing Agreement with the Stock Exchanges, to the extent these apply and extend to the Company.

(d) While preparation of the financial statements during the year under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note No. 2 of Notes to the financial statements in the Annual Report.

(e) The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures covering the entire gamut of business operations of the Company. These procedures are periodically reviewed to ensure that executive management controls risks by means of a properly defined framework.

(f) The designated senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been entered into during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

(g) The CEO and the CFO have furnished a duly signed Certificate to the Board for the year ended 31st March, 2014 in accordance with the provisions of revised Clause 49.V of the Listing Agreement(s) and the same has been placed in the Board Meeting held on 19th May, 2014.

(h) In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, Mr.Somesh Laddha, Sr. Manager(Finance) & Secretary has been designated as the Compliance Officer of the Company under the Company's Code of Conduct for Prevention of Insider Trading. He is responsible for adherence to the Code by the Company and its designated employees. The Company also adheres to the disclosure practices for Prevention of Insider Trading as specified in the aforesaid SEBI Regulations.

(i) The Company has presently not adopted the non-mandatory requirements in regard to maintenance of Non-Executive Chairman's office, tenure of independent directors, sending half-yearly declaration of financial performance to each household of shareholders, training of Board Members, Mechanism for evaluating non-executive Board Members and establishment of whistle Blower policy, etc. The Company has, however, constituted a Remuneration Committee, which has been dealt elaborately in point No.4 of this Report.

8. MEANS OF COMMUNICATION:

(a) **Quarterly Results:**

Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges as per requirements of the Listing Agreements.

(b) **Newspapers wherein results are normally published:**

English Newspaper	–	Financial Express (all editions)
Vernacular Newspaper	–	Dainik Jagran (Rewa edition)

(c) **Any website, where displayed :** www.birlaericsson.com

(d) **Whether it also displays official news releases** : No

(e) **The presentations made to institutional investors or to the analysis** : NIL

9. GENERAL SHAREHOLDER INFORMATION:

9.1 **Annual General Meeting:**

- Date and Time : August 12, 2014 at 4.30 P.M.
- Venue : Registered Office of the Company at Udyog Vihar, P.O.Chorhata, Rewa (M.P.)–486 006

9.2 **Financial Calendar (2014-15):** (tentative) :

Quarter ending June 30, 2014	:	Second week of August, 2014
Quarter ending September 30, 2014	:	Second week of November, 2014
Quarter ending December 31, 2014	:	Second week of February, 2015
Quarter ending March 31, 2015	:	Second week of May, 2015

9.3 **Book Closure date(s)** : Wednesday, August 6, 2014 to Tuesday, August 12, 2014 (both days inclusive)

9.4 **Dividend Payment date** : On or after August 16, 2014

9.5 **Listing on Stock Exchanges**

(a) BSE Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001

(b) National Stock Exchange of India Ltd.(NSE), Exchange Plaza, Plot No.C/1, G.Block, Bandra-Kurla Complex, Bandra East, Mumbai-400 051

The Company has timely paid the Annual listing fees for the financial year 2013-14 to BSE & NSE.

9.6 **Stock Code – Physical** : BSE, Mumbai - 500060
NSE, Mumbai - BIRLAERIC EQ

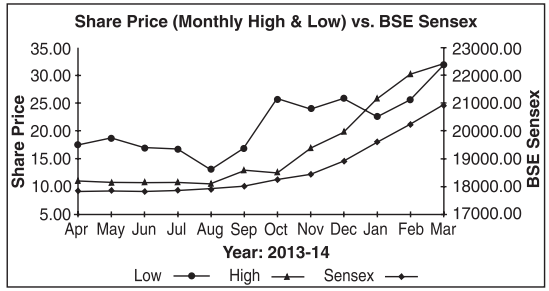
Demat ISIN Number for NSDL & CDSL : INE800A01015

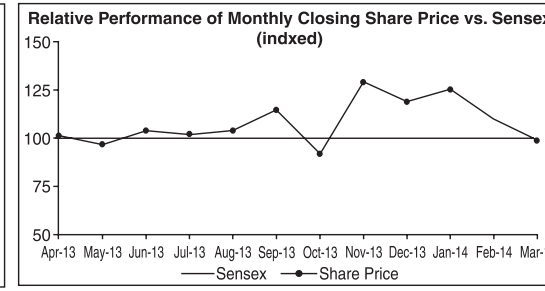
9.7 **Market Price Data :**

Monthly high and low quotations of shares and Volume of Equity Shares traded on BSE Ltd., Mumbai (BSE) and National Stock Exchange of India Ltd, Mumbai (NSE) are as follows :

Month	BSE			NSE		
	High (in Rs.)	Low (in Rs.)	Monthly Volume (in Nos.)	High (in Rs.)	Low (in Rs.)	Monthly Volume (in Nos.)
April, 2013	10.93	9.15	293264	10.65	9.30	23614
May, 2013	10.71	9.30	475770	10.65	9.25	21101
June, 2013	10.74	9.11	405723	10.50	8.35	23839
July, 2013	10.75	9.30	1266849	10.50	9.15	26351
August, 2013	10.50	9.50	1463903	10.50	9.90	118777
September, 2013	12.95	10.00	876555	12.60	10.00	29589
October, 2013	12.50	11.25	638818	12.50	11.10	25208
November, 2013	16.90	12.15	1681030	17.00	12.10	28997
December, 2013	19.80	14.55	2400857	19.85	13.95	58427
January, 2014	25.85	18.00	5906385	26.20	17.65	215412
February, 2014	30.30	21.20	6895756	30.05	21.10	280206
March, 2014	32.10	24.60	12115236	32.15	24.50	469475

9.8 **Share price performance in comparison to broad-based indices - BSE Sensex:**





9.9 **Registrar and Share Transfer Agents** :

Messrs Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai - 400 078
Phone : +91-22-25946970
Fax : +91-22-25946969
Email : rnt.helpdesk@linkintime.co.in

9.10 **Share Transfer System :**

The trading in Company's Equity Shares on the stock exchanges is permitted only in dematerialised form for all classes of investors as per notification issued by the Securities and Exchange Board of India (SEBI).

All transactions in connection with transfer, transmission, etc. are processed by the Registrar and Share Transfer Agents of the Company on weekly basis and the same are placed before the Committee of Directors/Committee of Officers, as the case may be, for approval at regular interval. With a view to expedite the process of share transfer in physical segment, the Board of Directors has delegated the authority to a Committee of Officers for approving transfer upto 1000 equity shares in each request. A summary of transfer/transmission of equity shares so approved by the Committee of officers is placed at every Board Meeting. The process of share transfer requests in physical form including despatch of share certificates is completed within 15 days on receipt of duly completed documents in all

respects. The request for dematerialisation of equity shares is generally confirmed/rejected within an average period of 15 days. The Company obtains from a Company Secretary in practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

The Company's representatives visit the office of the Registrar and Share Transfer Agents from time to time to monitor, supervise and ensure that there are no delays or lapses in the system.

9.11 (a) **Distribution of Shareholding as on 31st March, 2014 :**

No. of Equity Shares held	Number of Shareholders	% of shareholders	Number of shares held	% of shareholding
1 - 500	26680	92.97	3660678	12.20
501 - 1000	1087	3.79	922522	3.08
1001 - 2000	425	1.48	657559	2.19
2001 - 3000	177	0.62	460031	1.53
3001 - 4000	64	0.22	231255	0.77
4001 - 5000	91	0.32	440379	1.47
5001 - 10000	85	0.30	610413	2.04
10001 and above	87	0.30	23017163	76.72
GRAND TOTAL	**28696**	**100.00**	**30000000**	**100.00**
Physical Mode	**11816**	**41.18**	**9861146**	**32.87**
Electronic Mode	**16880**	**58.82**	**20138854**	**67.13**

(b) **Category of Shareholders as on 31st March, 2014 :**

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Indian Promoter & Promoter Group*	18	0.06	11655743	38.85
Foreign Promoter*	1	-	8250000	27.50
Resident Individuals & Corporates	28463	99.19	9828617	32.76
Financial Institutions/Banks/Mutual Funds	8	0.03	3120	0.01
NRI's	119	0.41	94392	0.32
Society	5	0.02	91240	0.30
Clearing Member	82	0.29	76888	0.26
GRAND TOTAL	**28696**	**100.00**	**30000000**	**100.00**

* For definitions of "Promoter Shareholding" and "Promoter Group" refer to Clause 40A of Listing Agreement(s) with the stock exchanges.

9.12 **Dematerialisation of Shares and liquidity:** 20138854 equity shares representing 67.13% of the total Equity Capital of the Company are held in a dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services(India) Limited(CDSL) as on 31st March,2014.

Company's shares are reasonably liquid. However, they were infrequently traded on the BSE Ltd.(BSE) and National Stock Exchange of India Ltd.(NSE) during the financial year 2013-14. Relevant data for the approximate average daily turnover in terms of volume for the financial year 2013-14 is given below :

BSE	NSE	BSE+NSE
139353	6290	145643

(Source: This information is compiled from the data available from the websites of BSE and NSE)

9.13 **Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, Conversion date and likely Impact on equity:** The Company has not issued any of these instruments so far.

9.14 **Plant Locations:** Udyog Vihar Industrial Area, P.O. Chorhata, Rewa (M.P.) - 486006, India

9.15 **Address for Correspondence :**

Messrs Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup, West, Mumbai - 400 078

Phone : +91-22-25946970
Fax : +91-22-25946969
Email : rnt.helpdesk@linkintime.co.in

OR

Share Department,
Birla Ericsson Optical Ltd.,
Udyog Vihar, P.O. Chorhata, Rewa(M.P.) - 486 006

Phone : +91-7662-400580
Fax : +91-7662-400680
Email : headoffice@birlaericsson.com OR investorservices@birlacables.com

Independent Auditors' Report

TO THE MEMBERS OF BIRLA ERICSSON OPTICAL LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of Birla **Ericson Optical Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in of section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 31 to the financial statements regarding non provision for the shortfall in the market value of a quoted investment for the stated reason. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 227(3) of the Act, we report that:
   - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013;
   - (e) on the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31.03.2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

2. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No.109208W

R.Raghuraman
Partner
Membership No. 081350

Place : New Delhi
Date : May 19, 2014

Annexure referred to in paragraph 2 of the Auditors' report to the shareholders of Birla Ericsson Optical Limited for the year ended 31st March, 2014

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) Major items of fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies were noticed on such verification.
   (c) Since there is no substantial disposal of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.
2. (a) As explained to us, inventories except stock in transit, have been physically verified by the management at reasonable intervals.
   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
   (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. No material discrepancies were noticed on verification, between physical stocks and book records.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register required to be maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (b), (c), and (d) of the Order are not applicable to Company.
   (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register required to be maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (f) and (g) of the Order are not applicable to Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
5. (a) According to the information given to us, the particulars of contracts or arrangements during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lacs during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public in terms of sections 58A and 58AA or any other relevant provisions of the Act and the rules made there under.
7. A firm of Chartered Accountants has been appointed to carry out the internal audit. In our opinion, the internal audit system is commensurate with the size and nature of business of the Company.
8. We have broadly reviewed the books of accounts maintained by the Company, pursuant to rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained and the required statements are in the process of compilation. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) The Company is regular in depositing the undisputed statutory dues including provident fund, employee state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities, though there has been slight delay in a few cases.

No undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable. We are informed that there is no liability towards Employee State Insurance and Investor education and protection fund for the year under audit.

(b) There are no amounts in respect of income tax, excise duty, service tax, customs duty, wealth-tax and cess that have not been deposited with the appropriate authorities on account of any dispute.

(c) The disputed dues on account of sales tax which have remained unpaid as on 31.03.2014 are as follows :-

Name of the Statute	Nature of dues	Amount (₹ in lacs)	Period to which amount relates	Forum where dispute pending
M.P.VAT Act, 2002	Interest on deferred payment of tax	86.86	FY 2011-12	M.P. Commercial Tax Appellate Board

10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses during the current financial year and in the year immediately preceding the current financial year.
11. On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding debentures and loans from financial institutions during the year.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
13. The Company does not carry on the business of a chit fund/Nidhi/Mutual Benefit Fund. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has given a Cross corporate guarantee to a bank for credit facilities sanctioned to Vindhya Telelinks Limited (joint venturer) amounting to Rs. 22,950 lakhs as stated in Note No. 29 (a) (v). In our opinion, the terms and conditions of the guarantee given by the Company, for the credit facilities sanctioned to the joint venturer by the bank, are not prejudicial to the interest of the Company. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
16. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
19. The Company has neither issued nor had any outstanding debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedure performed and the representation obtained from the management, we report that no case of material fraud on or by the Company has been noticed or reported during the year under audit.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No.109208W

R.Raghuraman
Partner
Membership No. 081350

Place : New Delhi
Date : May 19, 2014

BALANCE SHEET AS AT MARCH 31, 2014

	Note No.	As at March 31, 2014 Rs. in lacs	As at March 31, 2013 Rs. in lacs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	**3000.00**	3000.00
Reserves and surplus	4	**4797.37**	3224.30
		7797.37	6224.30
NON-CURRENT LIABILITIES			
Long-term borrowings	5	**1513.34**	12.65
Deferred tax liabilities (net)	6	**345.00**	-
Long-term provisions	7	**116.04**	108.97
		1974.38	121.62
CURRENT LIABILITIES			
Short-term borrowings	8	**3195.55**	3336.42
Trade payables	9	**9283.08**	3653.56
Other current liabilities	10	**500.92**	636.84
Short-term provisions	11	**455.67**	111.98
		13435.22	7738.80
	Total	**23206.97**	14084.72
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	12		
Tangible assets		**3848.11**	2970.22
Intangible assets		**0.08**	1.10
Capital work-in-progress		**144.35**	401.64
		3992.54	3372.96
Non-current investments	13	**1406.19**	1406.19
Long-term loans and advances	14	**460.06**	138.13
Other non-current assets	15	**195.88**	-
		6054.67	4917.28
CURRENT ASSETS			
Inventories	16	**5341.13**	2970.87
Trade receivables	17	**9393.54**	3734.13
Cash and cash equivalents	18	**649.50**	700.84
Short-term loans and advances	19	**1706.68**	1719.18
Other current assets	20	**61.45**	42.42
		17152.30	9167.44
	Total	**23206.97**	14084.72
Significant accounting policies	2		

The accompanying notes 1 to 41 form an integral part of the financial statements.

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No.109208W

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 19, 2014

Harsh V.Lodha — Chairman

D.R.Bansal
R.C.Tapuriah
Aravind Srinivasan
Arun Kishore
K.Raghuraman
— Directors

R.Sridharan — Manager & CEO

Somesh Laddha — Sr. Manager(Finance) & Secretary

New Delhi, May 19, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note No.	For the year ended March 31, 2014 Rs. in lacs	For the year ended March 31, 2013 Rs. in lacs
REVENUE			
Revenue from operations (gross)	21	**31945.23**	13561.41
Less: Excise duty		**2885.95**	1180.69
Revenue from operations (net)		**29059.28**	12380.72
Other income	22	**219.88**	314.47
Total revenue		**29279.16**	12695.19
EXPENSES			
Cost of materials consumed	23	**22988.61**	9269.84
Purchase of stock -in-trade (traded goods)		**136.41**	123.17
(Increase)/decrease in inventories	24	**(788.21)**	(391.02)
Employee benefits expense	25	**978.24**	807.88
Finance costs	26	**886.97**	494.54
Other expenses	27	**2266.20**	1457.40
Total expenses		**26468.22**	11761.81
EARNINGS BEFORE DEPRECIATION, AMORTISATION AND TAX		**2810.94**	933.38
Depreciation and amortisation expense		**463.68**	364.70
PROFIT BEFORE TAX		**2347.26**	568.68
Current tax (MAT) (Refer Note No.32)		**443.20**	-
Less: Minimum alternate tax credit entitlement		**(365.00)**	-
Net current tax		**78.20**	-
Deferred tax charge		**345.00**	-
PROFIT FOR THE YEAR		**1924.06**	568.68
Earning per equity share (EPS)			
Basic and diluted EPS (Nominal value of shares Rs.10/- each)	28	**6.41**	1.90
Significant accounting policies	2		

The accompanying notes 1 to 41 form an integral part of the financial statements.

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No.109208W

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 19, 2014

Harsh V.Lodha — Chairman

D.R.Bansal
R.C.Tapuriah
Aravind Srinivasan
Arun Kishore
K.Raghuraman
— Directors

R.Sridharan — Manager & CEO

Somesh Laddha — Sr. Manager(Finance) & Secretary

New Delhi, May 19, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Rs. in lacs	**For the year ended March 31, 2014 Rs. in lacs**	Rs. in lacs	For the year ended March 31, 2013 Rs. in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		**2347.26**		568.68
Non-cash adjustment to reconcile profit before tax to net cash flows:				
Depreciation/amortization	463.68		364.70	
(Profit)/loss on disposal of fixed assets (net)	34.37		(2.84)	
(Gain)/loss on unrealised foreign exchange rate fluctuations	38.08		2.02	
Interest income	(213.19)		(219.77)	
Dividend income	(0.01)		(0.02)	
Interest expense	645.86	**968.79**	342.98	487.07
Operating Profit before working capital changes		**3316.05**		1055.75
Movement in working capital:				
Increase/(decrease) in trade payables and provisions	5475.24		2445.03	
Decrease/(increase) in trade receivables	(5666.02)		(974.27)	
Decrease/(increase) in inventories	(2370.26)		(1215.32)	
Decrease/(increase) in loans and advances	40.67	**(2520.37)**	(1101.66)	(846.22)
Cash generated from/(used in) operations		**795.68**		209.53
Direct taxes paid (net of refunds)		**(436.89)**		57.46
Net cash flow from/(used in) operating activities (A)		**358.79**		266.99
B. CASH FLOW FROM INVESTING ACTIVITIES				
(Purchase) of fixed assets	(1158.47)		(541.31)	
Proceeds from sale of fixed assets	30.53		29.89	
Investment in bank deposits	(675.90)		(490.12)	
Redemption/maturity of bank deposits	490.12		489.12	
Interest received	213.06		224.66	
Dividend received	0.01		0.02	
Net cash flow from/(used in) investing activities (B)		**(1100.65)**		(287.74)

	Rs. in lacs	For the year ended March 31, 2014 Rs. in lacs	Rs. in lacs	For the year ended March 31, 2013 Rs. in lacs
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (Contd.)				
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings	1516.81			
(Repayment) of long-term borrowings	(75.61)		(114.67)	
Proceeds/(repayment) from short-term borrowings	(105.60)		598.99	
Interest paid	(634.98)		(350.43)	
Net cash flow from/(used in) financing activities (C)		**700.62**		133.89
Net increase/(decrease) in cash and cash equivalents		**(41.24)**		113.14
Cash and cash equivalents at the beginning of the year		**210.72**		97.58
Cash and cash equivalents at the end of the year		**169.48**		210.72
Components of cash and cash equivalents:				
Cash on hand		**1.01**		0.89
Cheques, drafts on hand		**163.19**		188.46
In current accounts		**5.28**		21.37
		169.48		210.72

(a) Difference of Rs. 675.90 lacs (Rs.490.12 lacs) compared with Note No.18 represents short term investments with an original maturity of three months or more.

(b) The Cash Flow Statement has been prepared under the 'Indirect method' as set out in Accounting Standard (AS-3) on Cash Flow Statement.

(c) Negative figures have been shown in brackets.

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No.109208W

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 19, 2014

Harsh V.Lodha — Chairman

D.R.Bansal
R.C.Tapuriah
Aravind Srinivasan
Arun Kishore
K.Raghuraman
— Directors

R.Sridharan — Manager & CEO

Somesh Laddha — Sr. Manager(Finance) & Secretary

New Delhi, May 19, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

1. NATURE OF OPERATIONS

The Company's operations are predominantly classified into Wires and Cables comprising primarily Telecommunications Cables and other types of Wire and Cables.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting:

The financial statements of the Company are prepared and presented under the historical cost convention and comply in all material respects with the applicable accounting standards as notified by the Central Government vide the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 read with the General Circular 8/2014 dated 4th April, 2014 issued by the Ministry of Corporate Affairs. All income & expenditure are accounted for on accrual basis except certain insurance claims, which are recognised on acceptance basis, as and when the amount whereof can be ascertained with reasonable certainty.

(b) Use of Estimates:

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

(c) Revenue Recognition:

Revenue from the sale of products is recognised on transfer of all significant risks and rewards of ownership to the buyer which coincides with despatch of products to customers. Revenue to the extent of Price Variation disputes, if any, which are subjected to resolution through arbitration is recognized based on interim relief granted by a Court and/or after receipt of revenue in execution of the final award in favour of the Company, as the case may be.

Interest income is recognised on time proportion basis. Dividend income is recognised when the right to receive payment is established.

Export incentives, etc. are accounted for in the year of export.

(d) Fixed Assets including Intangible Assets:

Fixed Assets are stated at cost less accumulated depreciation and amortisation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements, renewals and insurance spares (determined on the basis of irregular use) are capitalised and expenditure for repairs and maintenance are charged to the Statement of Profit and Loss. When assets are sold or discarded their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the Statement of Profit and Loss.

Intangible Assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation.

(e) Depreciation and amortisation:

Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on pro-rata basis from the month the assets are put to use except in case of new project where it is provided for the period of use. Depreciation on sale of assets is provided upto the month prior to the month in which the assets are sold or disposed off. Depreciation on incremental cost arising on account of capitalised insurance spares is amortised over the residual life of the respective assets. Premium on leasehold land is amortized over the period of the lease.

An intangible asset is measured at cost and amortised so as to reflect the pattern in which the assets economic benefits are consumed. The useful life has been estimated as five years.

(f) Impairment:

The carrying amount of the fixed assets is reviewed at each Balance Sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognised in the financial statement when the carrying amount of fixed assets exceeds the assessed estimated recoverable amount. The recoverable amount is the greater of assets' net selling price or its value in use. An impairment loss is reversed if there has been change in recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets.

(g) Investments:

(a) Non-current investments are stated at cost. The diminution, if any, in the value of investments, is recognised when such diminution is considered other than temporary.

(b) Current Investments are stated at lower of cost and fair value.

(h) Leases :

Where the Company is the Lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Statement of Profit and Loss on a straight line basis over the lease term. Costs, including depreciation are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc are recognized immediately in the Statement of Profit and Loss.

Where the Company is the Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(i) Inventories:

Inventories except scrap materials are valued at lower of cost or net realisable value. Scrap materials are valued at estimated net realisable value. Cost is computed on the transaction moving weighted average basis and is net of cenvat/vat. Cost of finished goods and material under process is determined by taking direct materials, labour cost and related manufacturing overheads including depreciation based on normal operating capacity. Finished goods and scrap materials also include excise duty. Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

(j) Foreign Currency Transactions:

(i) Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year end are translated using closing exchange rates except those covered by forward exchange contracts which are translated at contracted rates, where the difference between the contracted rate and spot rate on the date of the transaction is dealt with in the Statement of Profit and Loss over the life of the contract.

(ii) The exchange difference arising on settlement of monetary items or on reporting, these items at rates different from rates at which these were initially recorded/reported by previous financial statement are recognised as income/expenses in the period in which they arise.

(iii) In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of contract as well as exchange difference on such contract, i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception/the last reporting date, is accounted for as income/expense for the period.

(k) Employee Benefits:

The Company makes regular contributions to recognised Provident Fund/Family Pension Fund and also to duly constituted and approved Superannuation Fund and Gratuity Fund, which are charged to revenue. Pension and Leave Encashment benefits payable as per Company's schemes are charged to Statement of Profit and Loss on the basis of actuarial valuation made at the end of each financial year by independent actuaries. Ex-gratia or other amount disbursed on account of selective employees separation scheme are charged to Statement of Profit and Loss. Actuarial gains and losses comprise experience adjustments and effects of changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the year in which they arise.

(l) Interest on Borrowings:

Interest and other borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other interest and borrowing costs are expensed in the period they accrue and occur.

(m) Taxes on Income:

Tax expense for the relevant period comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes

eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Deferred Tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax is recognised, subject to consideration of prudence, on all timing differences between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. However, Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognised only when there is virtual certainty of realisation of such assets backed by convincing evidence. Deferred tax assets are reviewed and assessed at the Balance Sheet date to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

(n) Provisions, Contingent Liabilities and Contingent Assets:

A disclosure for a contingent liability is made after careful evaluation of the facts and legal aspects of the matter involved, when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is possible or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are recognised when the Company has a legal/constructive obligation and on management discretion as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Contingent Assets neither recognised nor disclosed in the financial statements.

(o) Cash and Cash equivalents:

Cash and Cash equivalent in the cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

		As at March 31, 2014 Rs. in lacs	As at March 31, 2013 Rs. in lacs
3. SHARE CAPITAL			
Authorised			
42500000	(42500000) Equity shares of Rs.10/- each	**4250.00**	4250.00
7500000	(7500000) Preference Share of Rs.10/- each	**750.00**	750.00
		5000.00	5000.00
Issued, Subscribed and Fully paid-up			
30000000	(30000000) Equity shares of Rs.10/- each, fully paid up	**3000.00**	3000.00
		3000.00	3000.00

(a) Reconcilation of the number of shares outstanding and the amount of share capital as at March 31, 2014 and March 31, 2013 is as under :

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	**Rs. In lacs**	No. of Shares	Rs. In lacs
Outstanding at the beginning of the year	**30000000**	**3000.00**	30000000	3000.00
Outstanding at the end of the year	**30000000**	**3000.00**	30000000	3000.00

(b) The Company has only one class of shares referred to as equity shares having nominal value of Rs.10/- each. The holders of equity shares are entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. For the year ended 31st March 2014, the amount of per share dividend recognised for distribution to equity shareholders was Re 1/- per share, subject to approval of shareholders.".

(c) Shareholders holding more than 5% shares based on legal ownership in the subscribed share capital of the Company is set out below :

Name of the Shareholder	**As at March 31, 2014**		As at March 31, 2013	
	No. of Shares	**% held**	No. of Shares	% held
Ericsson Cables AB, Sweden	**8250000**	**27.50**	8250000	27.50
Vindhya Telelinks Limited	**4000100**	**13.33**	4000100	13.33
Universal Cables Limited	**3900100**	**13.00**	3900100	13.00

	As at March 31, 2014 Rs. in lacs	As at March 31, 2013 Rs. in lacs
4. RESERVES AND SURPLUS		
Securities premium account		
Opening balance	**2000.00**	2000.00
Closing balance	**2000.00**	2000.00
General reserve		
Opening balance	**1600.45**	1600.45
Closing balance	**1600.45**	1600.45
Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	**(376.15)**	(944.83)
Add : Profit for the year	**1924.06**	568.68
	1547.91	(376.15)
Less: Appropriations		
Proposed dividend	**300.00**	-
Corporate dividend tax on proposed dividend	**50.99**	-
	350.99	-
Closing balance	**1196.92**	(376.15)
	4797.37	3224.30
5. LONG-TERM BORROWINGS		
Secured (From Banks)		
Buyer's credit	**-**	63.11
Term loan	**87.50**	-
Supplier's credit	**475.84**	-
Unsecured		
Sales tax loans (Interest free)	**12.65**	12.65
From bodies corporate	**1000.00**	-
	1575.99	75.76
Less: Current maturities of long-term borrowings at the year end (disclosed under Note No.10)		
Buyer's credit	**-**	63.11
Term loan	**50.00**	-
Sales tax loans (Interest free)	**12.65**	-
	62.65	63.11
	1513.34	12.65

(a) The loans from bank are secured by way of hypothecation of stock of Inventories, cash and other current assets, book debts, outstanding moneys, receivables, claims, etc., both present and future, and are further secured by way of hypothecation of movable fixed assets, both present and future, and first charge created by way of joint mortgage by deposit of title deeds of certain immovable properties of the Company. As a collateral security these loans are also backed by a cross corporate guarantee of Vindhya Telelinks Limited, a joint venturer. Term loan is repayable in eight quarterly installments commencing from March, 2014 and carries interest @ 13.30% (rate as on the reporting date). Supplier's credit (in foreign currency) is repayable in full in the year 2016 and carries interest @ 1.98% - 2.04% (rate as on the reporting date).

(b) Sales tax loans are as per scheme of State Government and for administration of these loans, Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC Ltd.) has been specified by the State Government as the Implementing Agency. As per the governing scheme for conversion of deferred sales tax into loan, the final sales tax loan liability subsists upto a period of ten years, commencing from the expiry of each financial year covered by the period of eligibility and is payable thereafter within 30 days in one installment subject to compliance with the terms and conditions as specified in the scheme.

(c) Loans from bodies corporate are repayable in full in the year 2015 and carries interest @ 10.50% (rate as on the reporting date).

	As at March 31, 2014 Rs. in lacs	As at March 31, 2013 Rs. in lacs
6. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred tax liability		
Depreciation on fixed assets	**428.00**	357.55
	428.00	357.55
(b) Deferred tax assets		
Unabsored depreciation	**-**	300.50
Expenses allowable for tax purpose when paid	**83.00**	57.05
	83.00	357.55
Net deferred tax liability	**345.00**	-
7. LONG-TERM PROVISIONS		
Provision for employee benefits		
Compensated absences	**95.87**	86.41
Pension	**20.17**	22.56
	116.04	108.97
8. SHORT-TERM BORROWINGS		
Working capital loans/trade credits from banks (Secured)		
Cash credit facilities	**946.85**	923.88
Buyer's credit	**840.61**	708.67
Export packing credit	**208.09**	503.87
	1995.55	2136.42
Other short term loans (Unsecured)		
From bodies corporate(repayable on demand) (Refer Note No.5 (c))	**1200.00**	1200.00
	1200.00	1200.00
	3195.55	3336.42

(a) Working capital loans/trade credits from banks being working capital credit facilities, sanctioned by a bank are generally renewable within twelve months from the date of sanction or immediately previous renewal, unless otherwise stated. The lender bank has a right to cancel the credit limits(either fully or partially) and, interalia, demand repayment in case of non-compliance of terms and conditions of sanctions or deterioration in the loan account in any manner.

(b) Working capital loans (both fund and non-fund based) are secured by way of hypothecation of stock of inventories, cash and other current assets, book debts, outstanding moneys, receivables, claims, etc., both present and future, and are further secured by way of hypothecation of movable fixed assets, both present and future, and first charge created by way of joint mortgage by deposit of title deeds of certain immovable properties of the Company. As a collateral security, working capital loans are also backed by a cross corporate guarantee of Vindhya Telelinks Limited, a joint venturer.

9. TRADE PAYABLES		
Trade payables [Refer Note No.39 for dues to micro and small enterprises]	**9283.08**	3653.56
	9283.08	3653.56
10. OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings	**62.65**	63.11
Interest accrued but not due on borrowings	**14.99**	4.11
Other payables		
Mobilisation and other advances from customers	**84.77**	89.70
Statutory dues	**171.43**	128.01
Accrued employee benefits expense	**27.62**	22.59
For purchase of fixed assets	**139.46**	329.32
	500.92	636.84

	As at March 31, 2014 Rs. in lacs	As at March 31, 2013 Rs. in lacs
11. SHORT TERM PROVISIONS		
Provision for income tax (net of advance)	**62.29**	62.29
Proposed dividend	**300.00**	-
Corporate dividend tax	**50.99**	-
Provision for employee benefits		
Gratuity	**-**	15.57
Compensated absences	**24.49**	16.03
Pension	**2.79**	2.79
Others	**15.11**	15.30
	455.67	111.98

12. FIXED ASSETS

Rs. in lacs

Nature of fixed assets	Gross Block				Depreciation / amortisation				Net Block	
	As at 01.04.2013	Additions during the year	Disposal/ Deductions	**As at 31.03.2014**	Upto 31.03.2013	Provided during the year	Disposal/ Deductions	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
(A) TANGIBLE ASSETS:										
Leasehold Land	24.35	-	-	**24.35**	7.93	0.41	-	**8.34**	**16.01**	16.42
Buildings	1030.77	17.60	1.16	**1047.21**	499.67	28.91	0.65	**527.93**	**519.28**	531.10
Plant & Equipments	9936.06	1383.31	1047.40	**10271.97**	7581.71	421.54	972.81	**7030.44**	**3241.53**	2354.35
Furniture & Fixtures	74.29	6.81	-	**81.10**	50.58	2.78	-	**53.36**	**27.74**	23.71
Office Equipments	31.78	8.04	0.36	**39.46**	9.56	5.22	0.25	**14.53**	**24.93**	22.22
Vehicles	49.90	-	-	**49.90**	27.48	3.80	-	**31.28**	**18.62**	22.42
TOTAL (A)	11147.15	1415.76	1048.92	**11513.99**	8176.93	462.66	973.71	**7665.88**	**3848.11**	2970.22
(B) INTANGIBLE ASSETS:										
Computer Software	23.06	-	-	**23.06**	21.96	1.02	-	**22.98**	**0.08**	1.10
TOTAL (B)	23.06	-	-	**23.06**	21.96	1.02	-	**22.98**	**0.08**	1.10
(C) CAPITAL WORK-IN-PROGRESS (at cost):										
Under installation/ commissioning	-	-	-	**-**	-	-	-	**-**	**-**	31.26
In transit	-	-	-	**-**	-	-	-	**-**	**144.35**	370.38
TOTAL (C)	-	-	-	**-**	-	-	-	**-**	**144.35**	401.64
TOTAL (A+B+C)	11170.21	1415.76	1048.92	**11537.05**	8198.89	463.68	973.71	**7688.86**	**3992.54**	3372.96
Previous Year	11764.03	158.81	752.63	11170.21	8537.97	364.70	703.78	8198.89	2971.32	

	As at March 31, 2014 Rs. in lacs	As at March 31, 2013 Rs. in lacs
13. NON-CURRENT INVESTMENTS		
(Carried at cost unless otherwise stated)		
Trade Investments		
Quoted - Fully paid up equity shares of Rs.10/- each		
1,107,407 (1,107,407) Universal Cables Limited	**1404.04**	1404.04
280 (280) Birla Corporation Limited	**0.13**	0.13
100 (100) Vindhya Telelinks Limited	**0.06**	0.06
Aggregate amount of quoted investments	**1404.23**	1404.23
Unquoted - Fully paid up equity shares of Rs. 10/- each		
9,800 (9,800) Universal Telelinks Private Limited	**0.98**	0.98
9,800 (9,800) Universal Electricals Private Limited	**0.98**	0.98
Aggregate amount of unquoted investments	**1.96**	1.96
	1406.19	1406.19
Aggregate market value of quoted investments (Refer Note No. 31)	**288.34**	344.17

		As at March 31, 2014 Rs. in lacs	As at March 31, 2013 Rs. in lacs
14.	**LONG-TERM LOANS AND ADVANCES**		
	(Unsecured and considered good)		
	Capital advances	**-**	38.75
	Loans and advances to employees	**8.67**	12.03
	Loan to a related party	**6.98**	7.88
	(Due from the Manager and Chief Executive Officer)		
	Security deposits	**40.91**	34.14
	Advance Income Tax/Tax deducted at source (net)	**38.50**	44.81
	MAT credit entitlement	**365.00**	-
	Prepaid expenses	**-**	0.52
		460.06	138.13
15.	**OTHER NON-CURRENT ASSETS**		
	Non-current bank balance	**195.88**	-
		195.88	-
16.	**INVENTORIES [Refer Note No. 2(i) for mode of valuation]**		
	Raw materials [including in transit Rs.1082.67 lacs (Rs.173.10 lacs)]	**3296.15**	1661.89
	Packing Materials	**74.28**	78.48
	Stores and spares	**108.57**	156.58
	Stock-in-trade	**0.68**	11.42
	Materials under process (Refer Note No. 24)	**1685.09**	898.51
	Finished goods	**131.35**	153.17
	Scrap materials	**45.01**	10.82
		5341.13	2970.87
17.	**TRADE RECEIVABLES**		
	(Unsecured and considered good)		
	Outstanding for a period exceeding six months from the date they are due for payment	**191.29**	191.86
	Others	**9202.25**	3542.27
		9393.54	3734.13
18.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**1.01**	0.89
	Cheques, drafts on hand	**163.19**	188.46
	Balance with banks		
	- In current accounts	**5.28**	21.37
	- In term deposit accounts (term deposit receipts pledged with banks towards margin against letter of credit and other commitments)	**675.90**	490.12
		845.38	700.84
	Less: Term deposit account having more than 12 months maturity at the year end (disclosed under Note No.15)	**195.88**	-
		649.50	700.84

		As at March 31, 2014 Rs. in lacs	As at March 31, 2013 Rs. in lacs
19.	**SHORT TERM LOANS AND ADVANCES**		
	(Unsecured and considered good)		
	Loans and advances to employees	**14.53**	13.12
	Loan to a related party	**0.90**	0.90
	(Due from the Manager and Chief Executive Officer)		
	Security deposits	**20.15**	10.50
	Inter-corporate deposit with a related party [Refer Note No.36 (a)(xv)]	**500.00**	1055.00
	Advance Income Tax/Tax deducted at source (net)	**28.43**	-
	Claims, refunds, etc. receivable	**453.61**	186.96
	Advances recoverable in cash or in kind	**689.06**	452.70
		1706.68	1719.18
20.	**OTHER CURRENT ASSETS**		
	Interest accrued but not due on term deposits	**20.75**	20.62
	Unamortised premium on forward contracts	**8.59**	-
	Assets held for disposal (at lower of net book value and net realisable value)	**32.11**	21.80
		61.45	42.42

		For the year ended March 31, 2014 Rs. in lacs	For the year ended March 31, 2013 Rs. in lacs
21.	**REVENUE FROM OPERATIONS**		
	Sale of products		
	Telecommunications Cables	**31248.10**	12799.77
	Other Wires & Cables	**112.24**	251.97
	Traded goods*	**162.07**	154.29
		31522.41	13206.03
	Other operating revenues		
	Scrap materials	**76.84**	122.26
	Processing & job work income	**37.20**	52.38
	Export incentives	**308.78**	180.74
		422.82	355.38
		31945.23	13561.41

*None of these individually account for more than 10% of total revenue from sale of products.

22.	**OTHER INCOME**		
	Interest income	**213.19**	219.77
	Profit on disposal of fixed assets (net)	**-**	2.84
	Dividend income on non-current investments	**0.01**	0.02
	Unspent liabilities/sundry balances written back (net)	**-**	82.33
	Rent received	**2.40**	4.81
	Other non operating income	**4.28**	4.70
		219.88	314.47

	For the year ended March 31, 2014 Rs. in lacs	For the year ended March 31, 2013 Rs. in lacs
23. COST OF MATERIALS CONSUMED		
Opening stock	**1661.89**	827.29
Add: Purchases [Less : Sales and Claims Rs. 249.54 lacs (Rs.312.48 lacs)]	**24622.87**	10104.44
	26284.76	10931.73
Less: Closing stock	**3296.15**	1661.89
	22988.61	9269.84
Details of Raw materials consumed		
Optical Fibre	**11232.90**	4286.41
Copper	**1771.73**	1110.43
Polyethylene	**3059.67**	1406.13
Others*	**6924.31**	2466.87
	22988.61	9269.84
* None of these individually account for more than 10% of total cost of materials consumed.		
24. (INCREASE)/DECREASE IN INVENTORIES		
Closing inventories		
Materials under process*	**1685.09**	898.51
Finished goods	**131.35**	153.17
Stock-in-trade	**0.68**	11.42
Scrap materials	**45.01**	10.82
	1862.13	1073.92
Opening inventories		
Materials under process*	**898.51**	609.18
Finished goods	**153.17**	57.97
Stock-in-trade	**11.42**	11.65
Scrap materials	**10.82**	4.10
	1073.92	682.90
	(788.21)	(391.02)
*Materials under process materially pertain to Telecommunications Cables		
25. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus and benefits, etc.	**820.76**	690.16
Contribution to provident and other funds, etc.	**91.63**	61.16
Welfare expenses	**65.85**	56.56
	978.24	807.88
26. FINANCE COSTS		
Interest expense	**645.86**	342.98
Foreign exchange rate fluctuation*	**96.44**	84.80
Other borrowing costs	**144.67**	66.76
	886.97	494.54
*To the extent considered as an adjustment to borrowing costs.		
27. OTHER EXPENSES		
Consumption of stores and spares	**107.94**	93.30
Packing materials	**598.62**	277.04
Processing/job work and testing charges	**135.15**	188.09
Power and fuel	**345.61**	292.54
Rent	**5.85**	4.47
Repair & maintenance		
- Plant & machinery	**120.58**	123.85
- Buildings	**26.72**	10.86
- Others	**2.01**	1.33

	For the year ended March 31, 2014 Rs. in lacs	For the year ended March 31, 2013 Rs. in lacs
OTHER EXPENSES (contd.)		
Insurance	**16.25**	10.27
Rates & taxes	**34.01**	27.44
Travelling and conveyance	**119.47**	86.38
Payment to auditors		
Statutory auditors		
-Audit fees	**6.00**	4.50
-Tax audit fee	**0.60**	0.60
-Quarterly reviews	**1.50**	1.50
-Taxation matters	**0.25**	0.25
-Certification, etc.	**1.10**	1.55
-Reimbursement of expenses	**0.47**	0.43
Cost auditors		
-Audit fees	**0.35**	0.35
-Certification, etc.	**0.14**	0.10
-Reimbursement of expenses	**0.11**	0.11
Sundry advances/bad debts written off	**4.67**	-
Loss on disposal/discard of fixed assets (net)	**34.37**	-
Foreign exchange rate fluctuation (net)	**48.52**	-
Excise duty on Increase/(Decrease) in stocks	**2.17**	5.50
Miscellaneous expenses	**653.74**	326.94
	2266.20	1457.40

28. Earnings per equity share (EPS):

Particulars	As at March 31, 2014	As at March 31, 2013
Basic/ weighted average number of equity shares outstanding during the year	**30000000**	30000000
Profit for the year (Rs. in lacs)	**1924.06**	568.68
Nominal value of equity share (Rs.)	**10.00**	10.00
Basic and diluted EPS (Rs.)	**6.41**	1.90

29. Contingent liabilities and Commitments (to the extent not provided for):

(a) Contingent liabilities

(i) Claims against the Company not acknowledged as debts Rs.0.32 lac (Rs.0.32 lac).

(ii) Sales tax matter under litigation Rs. 108.58 lacs (Rs.108.58 lacs).

(iii) The Company has an ongoing process for collection and submission of the relevant declaration forms to the concerned authorities and the Company does not forsee any liability in this regard.

(iv) Bills of exchange under letter of credit discounted with a bank and outstanding at the end of the year Rs. 2443.67 (Rs. Nil).

(v) Cross corporate guarantee given by the Company as a collateral security against working capital credit facilities aggregating to Rs.22950.00 lacs (outstanding as on March 31, 2014 Rs. 19716.69 lacs) sanctioned by a bank to Vindhya Telelinks Limited, a joint venturer.

The future cash outflow in respect of items (i) to (iv) above is determinable only on receipt of the decisions/ judgements in the cases pending at various forums and authorities concerned.

(b) Commitments:

(i) Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for Rs.142.74 lacs (Rs. 210.23 lacs)

(ii) Derivatives related commitments are disclosed in Note No. 33.

30. The Company has filed a law suit against an overseas supplier and its Indian agent. The supplier in order to overreach the said law suit invoked alleged arbitration agreement which is subject matter of the Suit filed by the Company,

interalia, claiming recovery of an aggregate amount equivalent to Rs.3974.88 lacs as at 31st March, 2014, as damages for the unsupplied goods for the period from October, 2002 to September, 2006. The Civil Court stayed the Arbitration proceedings and the said stay order has been confirmed by the High Court of Madhya Pradesh at Jabalpur and also by the Hon'ble Supreme Court. An order of the High Court of Madhya Pradesh referring the parties to Arbitration has also been stayed by the Hon'ble Supreme Court in the Special Leave Petitions filed by the Company, which are pending before the Hon'ble Supreme Court. Based on appraisal of the matter, the Company has been legally advised that the said claim against the Company is unsustainable and there is no likelihood of any liability arising against the Company.

31. In the opinion of the management, the decline in the market value of a quoted Non-current Investment (trade) (carrying cost Rs.1404.04 lacs) by Rs.1116.67 lacs at the year end is temporary, in view of the strategic long term nature of the investment and assets base/intrinsic worth of the investee company and hence, does not call for any provision thereagainst.

32. The Provision for tax has been made as per MAT under section 115JB of the income Tax Act, 1961. The Company is entitled to avail credit under section 115JA (1A). Accordingly, MAT credit entitlement has been considered as an asset.

33. Foreign currency exposures as at the Balance Sheet date:

The Company uses forward exchange contracts to hedge its exposure in foreign currency. The details of foreign currency exposures hedged by derivative instruments and those have not been hedged are as follows :

Particulars	**As at March 31, 2014**			As at March 31, 2013		
	In Foreign Currency		**Rs. in lacs**	In Foreign Currency		Rs. in lacs
Forward exchange contracts outstanding						
Payables	**USD**	**2498961**	**1514.62**	USD	86825	47.75
	EUR	**13730**	**11.48**	EUR	-	-
Total	**USD**	**2498961**	**1514.62**	USD	86825	47.75
	EUR	**13730**	**11.48**	EUR	-	-
Foreign currency exposures not covered by any derivative instrument Payables	**USD**	**2214516**	**1340.54**	USD	2728902	1499.07
	EUR	**580962**	**484.99**	EUR	420480	297.70
	GBP	**6078**	**6.14**	GBP	5000	4.19
Receivable	**USD**	**340894**	**203.28**	USD	484614	261.93
	EUR	**13912**	**11.59**	EUR	46808	32.65
Bank balances	**USD**	**155**	**0.09**	USD	155	0.08
Total	**USD**	**2555565**	**1543.91**	USD	3213671	1761.08
	EUR	**594874**	**496.58**	EUR	467288	330.35
	GBP	**6078**	**6.14**	GBP	5000	4.19

34. Employee Benefits:

(a) The Company's defined benefit plans include the approved funded gratuity scheme which is administered through Group Gratuity scheme with The Life Insurance Corporation of India and non-funded Pension Scheme (applicable only to certain categories of employees). Such defined benefits are provided for in the Statement of Profit and Loss based on valuations, as at the Balance Sheet date, made by independent actuaries. Disclosures for defined benefit plans based on actuarial reports as on March 31, 2014 are summarised below:

(i) Amount recognised in Statement of Profit and Loss :

Particulars	**Gratuity (Funded)**		**Pension (Unfunded)**	
	2013-14 Rs.in lacs	2012-13 Rs.in lacs	**2013-14 Rs.in lacs**	2012-13 Rs.in lacs
Current service cost	**11.46**	10.66	**-**	-
Interest cost on benefit obligation	**13.35**	12.41	**1.92**	6.92
Expected return on plan assets	**(12.84)**	(12.44)	**-**	-
Net actuarial (gain)/loss recognized in the year	**(6.74)**	(6.18)	**(1.52)**	(69.41)
Net employee benefits expense	**5.23**	4.45	**0.40**	(62.49)
Actual return on plan assets	**(12.40)**	(11.14)	**-**	-

(ii) Amount recognized in the Balance Sheet:

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2013-14 Rs. in lacs	2012-13 Rs.in lacs	**2013-14 Rs.in lacs**	2012-13 Rs.in lacs
Defined benefit obligation	**162.25**	147.11	**22.96**	25.35
Fair value of the plan assets	**166.07**	131.54	**-**	-
Net Asset/(liability)	**3.82**	(15.57)	**(22.96)**	(25.35)

(iii) Changes in present value of the Defined benefit obligation :

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2013-14 Rs. in lacs	2012-13 Rs.in lacs	**2013-14 Rs.in lacs**	2012-13 Rs.in lacs
Opening defined benefit obligation	**147.11**	169.30	**25.35**	90.63
Interest cost	**13.35**	12.41	**1.92**	6.92
Current service cost	**11.46**	10.66	**-**	-
Benefit paid	**(2.49)**	(37.79)	**(2.79)**	(2.79)
Actuarial (gain)/loss on obligations	**(7.18)**	(7.47)	**(1.52)**	(69.41)
Closing Defined Benefit Obligation	**162.25**	147.11	**22.96**	25.35

(iv) Changes in the fair value of plan assets:

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2013-14 Rs. in lacs	2012-13 Rs.in lacs	**2013-14 Rs.in lacs**	2012-13 Rs.in lacs
Opening fair value of plan assets	**131.54**	168.75	**-**	-
Actual returns	**12.40**	11.14	**-**	-
Contribution by employer	**24.62**	2.68	**-**	-
Benefits paid	**(2.49)**	(51.03)	**(2.79)**	(2.79)
Closing fair value of plan assets	**166.07**	131.54	**-**	-

(v) The major category of plan assets in case of funded gratuity scheme as a percentage of the fair value of total plan assets :

Particulars	Gratuity (%)	
	2013-14	2012-13
Investments with insurer	**100**	100

The overall expected rate of return on assets is determined based on the actual rate of return during the current year. The Company expects to contribute Rs. 25.00 lacs to Gratuity Fund during the financial year 2014-15.

(vi) The principal assumptions used in determining gratuity and pension obligations for the Company's plans :

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2013-14	2012-13	**2013-14**	2012-13
Mortality table	**IAL 2006-08 Ultimate**	IAL 2006-08 Ultimate	**LIC1996-98 Ultimate**	LIC 1996-98 Ultimate
Attrition rate	**5.00% p.a.**	5.00% p.a.	**N.A.**	N.A.
Imputed rate of interest	**9.15% p.a.**	8.25% p.a.	**9.10% p.a.**	8.00% p.a.
Salary rise	**7.50% p.a.**	7.50% p.a.	**N.A.**	N.A.
Return on plan assets	**9.23% p.a.**	9.25% p.a.	**N.A.**	N.A.
Remaining working life	**14.11 years**	14.91 years	**N.A.**	N.A.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Information relating to experience adjustments to plan assets and liabilities as required under para 120(n)(ii) of the Accounting Standard (AS-15) (revised) on employee benefits is not available with the Company. The impact of the same is not material.

(b) Company's contribution to defined contribution schemes such as Government administered Provident/Family Pension Fund and approved Superannuation Fund are charged to the Statement of Profit and Loss as incurred. The Company has no further obligations beyond its contributions.

The Company has recognised the following contributions to Provident/Family Pension and Superannuation Funds as an expense and included in employee benefits expense in the Statement of Profit and Loss.

Sl. No.	Defined Contributions Schemes	2013-14 Rs.in lacs	2012-13 Rs.in lacs
(i)	Contribution to Provident and Family Pension Fund	**49.51**	41.49
(ii)	Contribution to Superannuation Fund	**17.12**	15.67

35. (a) The Company has only one reportable primary business segment. Hence, no separate segment wise information of revenue, results and capital employed is given.

(b) The following table shows the distribution of Company's Revenue from operations by geographical market, regardless of where the goods were produced:

Sl. No.	Geographical Segments	2013-14 Rs.in lacs	2012-13 Rs.in lacs
(i)	Domestic Market (within India)	**23955.71**	9887.86
(ii)	Overseas Markets (outside India)	**5103.57**	2492.86
	Total	**29059.28**	12380.72

All the assets of the Company, except the carrying amount of trade receivables aggregating to Rs.227.90 lacs (Rs. 287.49 lacs), are within India.

36. Disclosures in respect of related parties as defined in Accounting Standard (AS-18), with whom transactions were carried out in the ordinary course of business during the year are given below:

Venturers in respect of which the Company is a joint venture	:	Universal Cables Ltd. (UCL) Vindhya Telelinks Ltd. (VTL) Ericsson Cables AB, Sweden (ECA)
Enterprise over which a director is able to exercise significant influence	:	Shakun Polymers Limited (SPL)
Key Management Personnel	:	Mr. R. Sridharan, Manager & Chief Executive Officer

(a) Transactions with related parties (other than Key Management Personnel) :

Sl. No.	Particulars	2013-14 Rs. in lacs			2012-13 Rs. in lacs		
		UCL	**VTL**	**SPL**	UCL	VTL	SPL
(i)	Purchase of Fixed Asset	**0.07**	**-**	**-**	-	2.95	-
(ii)	Sales of Fixed Asset	**31.20**	**-**	**-**	6.30	-	-
(iii)	Purchase of Raw Materials/Consumables & Traded Goods	**15.70**	**4769.38**	**101.48**	14.28	961.52	91.24
(iv)	Sale of Products /Traded Goods	**3.67**	**19.51**	**-**	-	74.72	-
(v)	Sale of Raw Materials/Consumables	**20.28**	**283.90**	**-**	12.58	372.99	-
(vi)	Processing Charges Paid	**0.17**	**118.47**	**-**	-	160.51	-
(vii)	Processing and Job work Income	**25.95**	**10.79**	**-**	26.49	25.89	-
(viii)	Rent Received	**2.40**	**-**	**-**	4.80	-	-
(ix)	Inter Corporate deposits granted	**550.00**	**12575.00**	**-**	-	12517.00	-
(x)	Inter Corporate deposits refunded	**550.00**	**12075.00**	**-**	-	11462.00	-
(xi)	Interest received (on Inter Corporate loans/deposit)	**12.07**	**127.28**	**-**	-	143.80	-
(xii)	Dividend received	**-**	**-**	**-**	-	-	-
(xiii)	Cross Corporate Guarantee given	**-**	**22950.00**	**-**	-	17450.00	-
(xiv)	Cross Corporate Guarantee accepted	**-**	**10700.00**	**-**	-	7000.00	-
(xv)	**Balance Outstanding at the year end**						
	Non-current Investment in equity shares	**1404.04**	**0.06**	**-**	1404.04	0.06	-
	Receivable	**-**	**-**	**-**	1.47	-	-
	Payable	**-**	**-**	**-**	-	0.25	9.98
	Inter Corporate Deposit	**-**	**500.00**	**-**	-	1055.00	-

(b) Transaction with Key Management Personnel :

Particulars	2013-14 Rs. in lacs	2012-13 Rs. in lacs
Salary & Benefits:		
Mr. D. R. Bansal	-	13.20
Mr. R. Sridharan*	**31.69**	24.70
Loan refunded during the year	**0.90**	0.90
Balance Outstanding at the year end:		
Loan recoverable	**7.88**	8.78
Salary payable	-	2.00

* As the liability of gratuity and leave encashment is provided on an actuarial basis for the company as a whole, therefore amount not included above.

(i) Significant Related Party Transactions with venturers during the year 2013-14 have been disclosed in brackets under the appropriate nature of transaction head.

(ii) Under the renewed technical collaboration agreement with Ericsson Cables AB, Sweden, no royalty or lumpsum fee is payable.

(iii) No amount has been provided as doubtful debt or advance/written off or written back in the year in respect of debts due from/to above related parties.

(iv) Transactions relating to reimbursement of expenses to/from related parties have not been considered in the above disclosures.

(v) All transactions with related parties as above have been entered into at arm's length basis in the ordinary course of business.

37. The Company has taken certain warehouses under operating lease agreements. The lease agreements generally have an escalation clause and are renewable or cancellable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreements. The aggregate lease rental of Rs.2.64 lacs (Rs. 2.48 lacs) are charged to the Statement of Profit and Loss.

38. There is no impairment of Assets during the year.

39. Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006":

Sl. No.	Particulars	As at March 31, 2014 Rs.in lacs	As at March 31, 2013 Rs.in lacs
(a)	the principal amount and interest due thereon remaining unpaid to any supplier		
	- Principal amount	**267.26**	1.38
	- Interest thereon	-	-
(b)	the amount of interest paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
(c)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(d)	the amount of interest accrued and remaining unpaid.	-	-
(e)	the amount of further interest remaining due and payable in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductable expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

40. Additional information by way of notes pursuant to paragraph 5 of Part-II of the Revised Schedule VI to the Companies Act, 1956:

(a) Value of imports on CIF basis:

Sl. No.	Particulars	2013-14 Rs.in lacs	2012-13 Rs.in lacs
(i)	Raw materials	**7450.24**	3932.83
(ii)	Components & Spare parts	**50.97**	28.61
(iii)	Capital goods	**1074.03**	491.97

(b) Expenditure in Foreign Currency :

Sl. No.	Particulars	2013-14 Rs.in lacs	2012-13 Rs.in lacs
(i)	Interest	**23.31**	25.81
(ii)	Travelling	**38.65**	18.77
(iii)	Others	**107.28**	31.55

(c) Total value of all imported and indigenous Raw Materials and Components & Spare parts consumed and percentage thereof:

Sl. No.	Particulars	2013-14		2012-13	
		Value Rs. in lacs	% to Total	Value Rs. in lacs	% to Total
(i)	Raw Materials/materials				
	Imported	**7390.96**	**32.15**	3548.04	38.28
	Indigenous	**15597.65**	**67.85**	5721.80	61.72
	Total	**22988.61**	**100.00**	9269.84	100.00
(ii)	Components & Spares parts*				
	Imported	**67.90**	**57.30**	35.52	31.81
	Indigenous	**50.59**	**42.70**	76.13	68.19
	Total	**118.49**	**100.00**	111.65	100.00

*Grouped under "Consumption of stores & spares" and "Repairs & maintenance of Plant & machinery" vide Note No. 27.

(d) Earnings in Foreign Exchange (on accrual basis):

Sl. No.	Particulars	2013-14 Rs.in lacs	2012-13 Rs.in lacs
(i)	Exports of goods on FOB basis in –		
	Foreign Currency [based on exchange rate(s) prevailing on Bill of Lading date(s)	**4743.04**	2254.95
(ii)	Indian Rupees	**211.25**	209.93
(iii)	Others (Freight & Insurance)	**25.54**	18.58

41. The Company has reclassified previous year's figures to conform to current year's classification. The figures in brackets are those in respect of the previous accounting year.

As per our attached report of even date.
For V.Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No.109208W

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 19, 2014

Singnature to Notice 1 to 41

Harsh V.Lodha — Chairman

D.R.Bansal
R.C.Tapuriah
Aravind Srinivasan
Arun Kishore
K.Raghuraman
— Directors

R.Sridharan — Manager & CEO

Somesh Laddha — Sr. Manager(Finance) & Secretary

New Delhi, May 19, 2014

BIRLA ERICSSON OPTICAL LIMITED

CIN: L31300MP1992PLC007190

Registered Office:
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Telephone No. (07662) 400580 • Fax No. (07662) 400680
E-mail: headoffice@birlaericsson.com • Website: www.birlaericsson.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered address	
E-mail Id	
Folio No/DP Id/Client Id	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____ Address: _____
   E-mail Id: _____Signature:_____, or failing him;
2. Name: _____ Address: _____
   E-mail Id: _____Signature:_____, or failing him;
3. Name: _____ Address: _____
   E-mail Id: _____Signature:_____ .

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Second Annual General Meeting of the Company, to be held on Tuesday, the 12th day of August, 2014 at 4.30 p.m. at the Registered Office of the Company at Udyog Vihar, P.O. Chorhata, Rewa - 486 006(M.P.), India and at any adjournment thereof in respect of the following resolutions:

Resolution No.	Resolution
Ordinary Business	
1.	Adoption of Audited Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2014
2.	Declaration of Dividend for the year 2013-14 on Equity Shares
3.	Non-filling up of vacancy caused by retirement of Mr.Mats O.Hansson, who retires by rotation and does not seek re-appointment
4.	Appointment of Auditors and fix their remuneration
Special Business	
5.	Appointment of Mr.R.C.Tapuriah as an Independent Director
6.	Appointment of Dr.Aravind Srinivasan as an Independent Director
7.	Appointment of Mr.Arun Kishore as an Independent Director
8.	Appointment of Mr.K.Raghuraman as an Independent Director
9.	Ratification of Cost Auditors' Remuneration

Signed this _____ day of _____ 2014

Signature of Shareholder : _____

Signature of Proxy holder(s) : _____

Affix Revenue Stamp

NOTE:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company at Udyog Vihar, P.O. Chorhata, Rewa - 486 006 (M.P.), India, not less than FORTY EIGHT (48) hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty Second Annual General Meeting.

BIRLA ERICSSON OPTICAL LIMITED

CIN: L31300MP1992PLC007190
Registered Office:
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Telephone No. (07662) 400580 • Fax No. (07662) 400680
Email: headoffice@birlaericsson.com • Website: www.birlaericsson.com

ATTENDANCE SLIP

Folio No. /DP Id/Client Id	
Name and Address of the Shareholder	
No. of Shares held	

(1) I hereby record my presence at TWENTY SECOND ANNUAL GENERAL MEETING of Birla Ericsson Optical Limited being held on Tuesday, the 12th day of August, 2014 at 4.30 p.m. at Udyog Vihar, P.O. Chorhata, Rewa – 486 006 (M.P).

(2) Signature of the Shareholder/Proxy Present

(3) Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

(4) Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

Note: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING

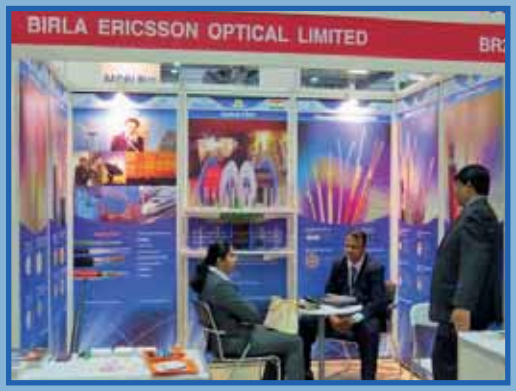
✂.....

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	Password

NOTE: For e-voting, please read the instructions printed under the Note No.16 to the Notice dated 21st June, 2014 of the Twenty Second Annual General Meeting. The Voting period begins on 6th August, 2014 and ends on 7th August, 2014. The e-voting module shall be disabled by CDSL for voting thereafter.

"BHAGWAN TIRUPATI BALAJI " IN THE STAFF'S TOWNSHIP AT REWA, MADHYA PRADESH



Company participated in Communic Asia 2013, held at Singapore

Company participated in ECOC 2013, held at London, United Kingdom

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